Coordination in labour market policy: the influence of governance and institutional logics

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Declaration

I hereby declare that this thesis is my own work and effort and that it has not been submitted anywhere for any other degree or professional qualification. This thesis is part of a collaborative research project. The research project entitled 'Local World of Social Cohesion' (LOCALISE for short) was a 7th Framework Programme for Research and Technological Development (FP7) under grant agreement No. 266768.

Data collection was part of LOCALISE. Not all the data collected within the LOCALISE project (data corpus) has been used in this thesis, and additional data outwith LOCALISE has been analysed in this thesis. Some of the data used in this thesis has also been used to some extent in the LOCALISE project. This thesis expands the data used in LOCALISE, and employs different analytical procedures and theoretical frameworks from the ones used in the LOCALISE project. Where research input other than the author's, and where other sources of information have been used, these have been acknowledged.

Three articles, one report, and two book chapters associated with the LOCALISE project have been published prior to the completion of this thesis. These have been referenced throughout the thesis and have been highlighted in the bibliography.

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I would like to dedicate this research to those who are having a hard-time making ends meet, whether they are unemployed, under-employed, or employed.

"The vexatious fact of society has to be tackled *in* theory and *for* practice." (Archer 1998, p.356)

Abstract

This PhD analyses the factors that affect the existence or absence of coordination in the field of labour market policy for the long-term unemployed in three cities in Great Britain (Edinburgh, Cardiff, and Newcastle). The interest in coordination in public service provision has become more relevant since the state's previously dominant role in services provision gave way to a decentralised and multi-actor landscape. The complexity of social issues also fostered the involvement of multiple organisations. Furthermore, the recent move toward activation in labour market policy has renewed the interest in localised and personalised services, which require coordination.

The implications for individuals of the shift toward activation is the main driver for this thesis. Activation has changed the relationship between the state and its citizens, has redefined social exclusion, has individualised responsibility for unemployment, and has increased individuals' obligations to become employed and employable. Also, a greater number of individuals—often with multiple, complex, and overlapping problems—are now required to take part in paid employment. If activation is to effectively support unemployed individuals, its governance would have to facilitate coordination.

Even though networks and partnership-working have been buzz-terms in relation to public service planning and delivery for some years, empirically, there is still a question over whether this discourse has resulted in coordination on the ground. Studies of coordination in the field of labour market policies have often focused on the link between social assistance and labour market policy. This research examines instead the coordination between labour market and other related policy areas, as well as the coordination between administrative levels and various service providers. Drawing upon document analysis and semi-structure interviews, this thesis shows that coordination is still elusive in practice and develops a framework of governance that might help to better achieve coordination in service provision.

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Chapter 1 – Introduction

This introductory chapter to the thesis is composed of four sections. First, the research context, which will be explored in detail in Chapter 2 and Chapter 5, is briefly set out. This is followed by a detailed description of the thesis aims and objectives. In the third section, the thesis' research methodology and methods, detailed at length in Chapter 4, are briefly presented. The chapter ends with a description of the thesis structure.

1.1 – Research Context

Unemployment is often defined as both an economic and social problem and, as a result, social solutions are made available as part of a country's welfare system. These solutions, often described as labour market policies, aim at tackling and, in some cases, preventing unemployment and income insecurity. These policies can focus on increasing the number of jobs in the economy (demand-side policies) or on raising the employability and availability for work of those unemployed (supply side policies). The latter can also be categorised as passive policies (financial provisions) or active policies (employability programmes), which in turn can be oriented to rapid integration in the labour market (work-first approaches) or aimed at raising long-term skills (human capital approaches). Any of these policies can be voluntary or compulsory, and involve different degrees of penalties for non-compliance (Aurich, 2011).

Factors such as globalisation, industrial restructuration, and technological developments, have changed the distribution of jobs and the nature of employment and unemployment (Alcock, 2008). Since the 1980s, there has been a restructuration of the UK's economy, with a decrease in 'traditional industries' and an increase in the service industry (Jones, 2013). However, the latter has not offset job losses in traditional industries, and has often generated low-skilled and temporary jobs, with low security, low upward-mobility, and low incomes. Changes to labour markets and the labour force, together with policy governance trends, and the recent austerity drive, are justifying the adoption, in many European countries, of a new approach in labour market policy that has been termed 'activation' (Dingeldey, 2009).

The activation approach has redefined social exclusion, individualised responsibility for unemployment, increased the individual's obligations to become employed and

employable, and changed the relationship between the state and its citizens with regard to welfare protection during times of unemployment (van Berkel and Borghi, 2007). As a result of activation, the number of individuals for which financial provisions are now conditional on participation in employability programmes has increased. Some of these individuals have multiple, complex, and overlapping barriers to labour market entry. Due to the compulsion and wide scope of the activation approach, and to the complex and multiple barriers of those to be activated, labour market policy necessitates governance forms that facilitate multi-sector joined-up seamless services tailored to local and individual needs (Laegreid & Rikkja 2014, Øverbye et al. 2010). Governance is defined as a framework of principles, structures, mechanisms, and processes guiding interactions, which will affect coordination (Lowdnes and Skelcher, 1998). Governance forms considered in this thesis are public administration, new public management, and new public governance (Considine & Lewis, 2003).

The need for coordination is a recurrent theme in the literature for two main reasons: firstly, as a result of devolution or decentralisation of responsibilities, and the complexity and fragmentation of multi-level governance (Green and Orton, 2012); and secondly, because of the proliferation of institutions and providers of social services, and the fragmentation of the provision landscape (Kazepov 2010, Stewart 2005). More recently, coordination between agencies has again come to the fore as a result of the activation approach and the complexity of social problems. Coordination between agencies is important in order to effectively tackle and prevent social problems (Sinfield, 2012a). It is important that suitable support is available to the growing number of individuals required to take part in activation, otherwise, there is a risk that poverty, social exclusion, and associated health problems might increase for them and their households. Coordination is defined as a dynamic process (Peters, 1998) that can be found in a continuum of lower-level coordination (alignment and convergence) at one extreme, and higher-level coordination (collaboration, co-production, and full integration) at the other.

Even though partnership-working and joined-up services have been part of the discourse on public sector governance for some time now, there is limited evidence of how this discourse shapes practice at local level in the field of labour market policy. The literature on activation policy is often focused on the coordination between labour

market policies and social assistance (Champion & Bonoli 2011, Genova 2008). This thesis focuses on the analysis of coordination between administrative levels, across policy areas, and amongst stakeholders. Drawing on resource dependency theories (internal need for resources) and system change models (commitment to an external problem/opportunity), the research analyses the factors that act as barriers to and facilitators of coordination in labour market policy. Labour market policy in this thesis is considered an organisational field formed by a number of actors. Organisations are part of different institutional orders (state, market, or community), and follow different institutional logics which collide in the organisational field, give rise to field-level logics, and affect inter-organisational relations.

This research context underpins the thesis' aim, which is explained in the next section.

1.2 – Thesis' Aim and Objectives

The aim of this thesis is to formulate a framework of governance that might help to better achieve service coordination in the delivery of labour market policies for the long-term unemployed. This will be done by analysing how partnership and joined-up working happens in practice. Achieving coordination between administrative levels, across policy areas, and amongst service providers is likely to facilitate the provision of services that are better targeted to individual and local needs. The availability of the appropriate support can help tackle and prevent labour market barriers effectively, and ameliorate or eliminate the risk of poverty, social exclusion and related issues. It is intended that this thesis will contribute to the current debate on public sector governance, with the ultimate goal of making inroads into reducing socio-economic exclusion.

To achieve the thesis aim, three objectives have to be met: firstly, to explore, identify, and classify the degree and type of coordination that occurs in the field of labour market policy; secondly, to analyse the possible influence of governance arrangements and institutional logics on forms and levels of coordination; thirdly, to identify instances and ways in which barriers to coordination may have been ameliorated or avoided, and to analyse the specific arrangements, mechanisms, and factors that might have facilitated coordination.

From these research objectives, three research questions have been developed:

- What type of coordination occurs in activation policy?
- What is the influence of governance and institutional logics on coordination types?
- What factors facilitate or hinder coordination?

The methodology and methods employed to achieve the research aim and answer the research questions are briefly explored next.

1.3 – Methodology

Critical realism is the underpinning ontology and epistemology in this thesis; consequently, the author acknowledges the existence of both independent entities and of subjective knowledge that socially construes the world. The focus of the study is to identify the causal mechanisms that facilitate or hinder inter-organisational coordination. This requires an analysis of the mechanisms, actors' interpretations, and context concerning coordination. Qualitative methodology is therefore selected to generate the rich and in-depth data required.

Multiple-case study is the chosen research strategy and the research methods employed are document analysis and semi-structured interviews. The case study approach is especially appropriate to this thesis, since that strategy is particularly well-suited to research involving multiple variables, context-dependent phenomena, a focus on causal explanations, and guided by theoretical propositions. Three cities are selected for the case studies—Edinburgh, Cardiff, and Newcastle—because of their similar proportion of working-age population, their contrasting institutional arrangements, and differences in economic and labour market indicators. The research is situated at the meso-level: forty-eight official policy documents selected on the basis of their operative level and policy area are analysed to ascertain policy approaches and strategies to coordination and to map actors in the local policy landscape; fifty-two organisations purposively selected—due to their operative level, competence, and policy area—participated in the research by being respondents in elite interviews, which aimed to determine the existence or absence of coordination between organisations and the causes behind this.

In critical realism, causality is established through data collection, reflection, and dialogue between the data and the theory. The research process includes abduction (i.e. critically taking actors' accounts as a starting point and combining observations and theory to describe regularities) and retroduction (i.e. moving from observations to explanation referring to the theoretical frameworks and comparing across cases). Data analysis is underpinned by three theoretical traditions: governance studies, inter-organisational relations, and institutional logics. A thematic analysis approach that includes both inductive and theoretical identification of themes, is used to analyse the documents and the interviews; with the support of a thematic matrix for document analysis and NVivo 10 for the coding of interview data. The analytical strategy chosen for the individual case studies is description, and for the cross-case comparative analysis is explanation-building. Theory is used as a lens applied throughout the process of abduction and retroduction in a dialectical manner (i.e. theory is open to modification and the study open to new theories during and at the end of the study).

The aim of this analysis, and ultimately of the thesis, is to formulate a framework of governance that might help to better achieve coordination in the delivery of labour market policies for the long-term unemployed; with a desire, shared with critical realist and other academics and practitioners, of transforming reality to improve human condition. The analysis shows that coordination is multiply determined—with multiple causes and no single mechanism determining the whole result—and the context is crucial to its realisation. Therefore, the framework developed includes a multiplicity of interrelated factors.

The thesis' methodology and methods briefly presented in this section are discussed in more detail in Chapter 4. Next, the structure of this thesis is offered.

1.4 – Thesis Structure

The thesis is presented in ten chapters; the contents of the following chapters are briefly presented next. Each chapter concludes with a summary.

In **Chapter 2**, the policy context in Great Britain with regards to labour market policy is explored. The first section is focused on current labour force and labour market trends. This is followed by an examination of the different types of labour market policies, the

current activation paradigm, and the main national welfare-to-work policy for the long term unemployed (the Work Programme). The governance of labour market policies is then explored, followed by an investigation of coordination (types, barriers, and facilitators) in the field of labour market policy.

In **Chapter 3**, the theoretical frameworks guiding the analysis in this thesis are presented. The chapter starts with an introduction to the policy process literature. Governance theory, inter-organisational relations theory and institutional logics theory are described in turn. After the description of each theoretical field of studies, a theoretical framework and two propositions that will guide the analysis in this thesis is put forward.

In **Chapter 4**, the research methodology and research methods are explored. The chapter begins by setting out the ontological and epistemological standpoint of the author and the thesis. The research methodology and strategy is then described. This is followed by an explanation of the two research methods employed. The focus is then turned to the quality and ethical standards met in this thesis.

In **Chapter 5**, the policy context with regards to labour market policy, the administrative relations, and the economic situation in England, Scotland and Wales are explored in turn. The chapter begins with a brief introduction to the labour market context in the UK.

In **Chapter 6**, the findings from the Edinburgh case study are presented. The labour market strategy in Edinburgh is examined first. This is followed by an investigation of what, when, where, and how coordination takes place in Edinburgh between administrative levels, across policy areas, and amongst stakeholders. The patterns developed in chapter 6 are then applied to Cardiff in **Chapter 7** and Newcastle in **Chapter 8**.

In **Chapter 9**, the comparative cross-case analyses—guided by the theoretical frameworks and propositions—are set out and discussed. The analyses focuses on four areas: firstly, coordination is categorised according to the strength of the relations between organisations; this is followed by a classification of the types of coordination according to the governance forms; the focus is then turned to the reasons behind the

existence or lack of coordination; fourthly, actors' institutional logics and field-level logics are depicted. The chapter ends by presenting a framework of governance.

In **Chapter 10**, the conclusions from the study are presented, beginning with a reminder of the thesis' aim. Attention is drawn to the limitations of the work and these are discussed. The contribution of the thesis to theory and practice is then submitted. This is followed by an exploration of recent policy development and its effect on the practical and theoretical contribution of the thesis. The Chapter and the thesis ends with recommendations for further research.

Chapter 2 – Policy Context and Coordination

In this chapter, the labour market policy context in Great Britain[1] is set out. It is important to explore labour force and labour market trends in order to comprehend the context within which labour market policy solutions are developed and implemented. This context will determine the specific needs to be addressed and the factors to be considered, including the necessity for coordinated policies. While a number of policy options can be taken to address unemployment, in Great Britain, the main labour market policy trend exhibited is activation. The characteristics and governance of activation policy will likely affect the coordination in this policy field. This is relevant to this thesis' objectives of analysing the types of and reasons for coordination between administrative levels, across policy areas, and amongst stakeholders in activation policy. The data presented in this chapter does not relate to years beyond 2014, since the empirical data in this thesis was collected and analysed during 2012 to 2014.

The main questions guiding the chapter are: What are the characteristics of the labour market and labour force in the UK? Which types of labour market polices exist in the UK? What is the governance of these policies? Which forms of coordination, if any, exist in this policy field? The chapter is structured in four sections that address these questions in turn. The chapter concludes with a summary of the literature reviewed.

2.1 – Labour Force and Labour Market Trends

Labour force and labour market trends can affect the type and outcomes of labour market policies. At the same time, labour market policies can shape labour market and labour force developments. For instance, even though unemployment was an issue that concerned government and was usually tackled through income maintenance measures, it was with the rise of unemployment in the 1970s that public policy refocused on it (Hills, 2007). This coincides with factors such as globalisation, macro-economic changes, economic growth, industrial restructuration, and technological developments, which have affected the distribution of jobs and the nature of employment. Unemployment has increasingly become a long-term structural risk that affects more people for longer periods. As a result, the number of working-age

[1] Since Northern Ireland has devolved responsibility for working-age social security and employment policy (Wiggan, 2015), national government labour market policy in this thesis refers to policy in England, Scotland and Wales.

individuals reliant on out-of-work benefits has increased over time (Finn, 2000). Exploring these tendencies is important for two reasons. First, to analyse the transformations that are needed in the understanding of, and solutions to, unemployment, if these solutions are to be effective. Second, to consider the influence that policy solutions could have on labour force and market trends.

2.1.1 – The Labour Force

The labour force is composed of actual and potential labour supply (OECD, 2016). Labour force composition has changed over time: while the total population in Great Britain has increased over time (Office for National Statistics, 2013), the working-age population, which includes all individuals aged 16 to 64 (NOMIS, 2016), experienced a 0.2 percentage points decrease from 2000 to 2013 when it was recorded as 63.8 percent (NOMIS, 2014b). According to the Office for National Statistics (2013), the number of older people will increase in relation to the number of younger people, even if, as predicted, the working-age population compared to the pensionable-age population increases slightly.

There was an increase of one percentage point in the economically active population, defined as people employed or available and looking for employment (OECD, 2016), between 2000 and 2014 when it was recorded as 77.8 percent (NOMIS, 2014a). This growth is a result of the rise in the following: female activity rates, the number of students and foreign individuals in or available to enter paid employment, the retirement age, and the number of individuals needing or being required to look for work due to changes in welfare policies (Berry, 2014). Employment rates—the proportion of the economically active population who are in paid employment (OECD, 2016)—have increased over time, with severe decreases during the economic crises in the 1980s and 1990s, and to a lesser extent during the 2008 crisis (Office for National Statistics, 2014b). In 2014, the employment rate was at the highest level of the last 43 years. Nevertheless, to some extent, the employment rate surge is due to the creation of part-time and temporary jobs, and the growth of under-employment and precarious employment (Berry, 2014). Economic inactivity rates and the reasons for inactivity have also fluctuated over time. The current rate of economic inactivity in the UK is 22.2 percent in 2014 (Office for National Statistics, 2014a).

The unemployment rate—the proportion of the economically active population who are not in paid employment (OECD, 2016)—has risen over time, especially in times of economic recessions (Office for National Statistics 2012). The unemployment rate peaked at 8.4 percent at the end of 2011 from a pre-2008 rate of around five percent, and stood in mid-2014 at six percent (NOMIS, 2014a). Unemployment has affected some population groups more than others: younger people have been disproportionally affected since the start of the recession, while it was not until a few years into the recession that individuals aged 50 and over began to be affected more than other groups. The unemployment rate for 16 to 17 year-olds in 2014 was 32.9 percent, while for those aged 50 and over it was 3.7 percent (Office for National Statistics, 2014c).

Unemployment is categorised as short or long-term; the latter is defined as unemployment of 12 months or over (OECD, 2016), although for 16-24 year-olds unemployment of nine months or over is classified as long-term for the purposes of being referred to the Work Programme (Department for Work and Pensions, 2012g). The rate of long-term unemployment has increased since the 2008 crisis and presents specific problems. For instance, the higher rate of long-term unemployment as a percentage of the unemployed population affects especially those in the 50 and over age group. For this age group the long-term unemployment rate in 2014 was of 43.9 percent, while for the 16-24 years-old it was 10.1 percent. However, the highest increase (more than double) in long-term unemployment in the last 14 years has affected the 18 to 24 age group: it stood at 33 percent in 2014 compared to 16.4 percent in 2000 (Office for National Statistics, 2014c). Long-term unemployment attracts government attention because the longer a person is out of employment, the more difficult it becomes to re-enter the labour market. This is due to a variety of factors, including skill and experience gaps, and employers preferences (Eriksson & Rooth 2014, Machin & Manning 1999). Individuals who have been long-term unemployed tend to be the most disadvantaged in the labour market, often with complex and multiple barriers (Green and Orton, 2009).

Unemployment is influenced not only by economic crises but also by a number of other circumstances, such as: the change in the industrial make-up of the economy, skills mismatches, technological developments that make jobs less labour-force intensive, globalisation and the opportunities of internationalising operations, changes to employment policies such as changes to the retirement age, flexibility of contracts, and

changes to welfare policies such as to social transfers (Alcock, 2008). The shape of the labour market in the UK is explored next.

2.1.2 – Labour Markets

Labour markets are spaces where employers and potential workers come together, buying and selling labour respectively. Labour markets can be defined in a number of different ways: with regards to the labour force, labour markets can be segmented or unified and can be described in terms of occupations (Office for National Statistics, 2010); they can similarly be depicted in terms of sectors or industries (Office for National Statistics, 2009). Labour markets are not static. They are shaped by a variety of elements: economic structural features such as the global nature of industry and finance or technological advances; socio-cultural trends such as changes to the 'traditional' family unit, gender, and career roles; characteristics of the labour force; and relevant regulations that can make labour markets more or less flexible. These can include employment regulations, immigration, labour market and social security policies rules (Alcock, 2008). Some of these factors are examined next.

Since at least the 1980s, the economic model in the UK has been characterised by reliance on household consumption, which coincided with a stagnation in earnings and the boom of the housing market, the rise of the service sector, and the financialisation of corporate practice with a focus on short-term returns (Berry, 2014). There have been changes in the labour market due to industrial restructuring of the economy. The contribution to UK Gross Domestic Product from agriculture, fishing, mining and manufacturing declined from 42 percent in 1948 to 15 percent in 2012; throughout the same period, there was an increase in the service industry contribution from an estimated 46 percent to 78 percent in the same period (Jones, 2013). During that same period, employment in the service industry rose from 44 to 85 percent, while in manufacturing and similar industries it declined from 45 to ten percent (Jones, 2013). However, the loss of jobs in manufacturing has not been offset by comparable full-time permanent jobs in other industries (NOMIS, 2014a). Furthermore, the expansion of the service sector has meant that jobs created have tended to be low-skilled, temporary, with low security, low upward-mobility, and low incomes. There has, therefore, been a greater segmentation of the labour market, with an erosion of the primary labour

market characterised by high income, job security, and the existence of upward-mobility prospects, and a growth of the secondary labour market (Standing, 1997).

There are geographic differences in the impact of industrial restructuring. Labour market changes have had an uneven impact on local areas (Green & Owen 2006, Green & Turok 2000). In 2013 in Great Britain, according to figures from the Office for National Statistics (2013), the employment rate was highest in the South East (76 percent) and lowest in the North East (67.9 percent); the unemployment rate was highest in the North East (10.1 percent) and lowest in the East of England (5.6 percent); the inactivity rate was highest in the North West (25 percent) and lowest in the South East (19.2 percent); while the claimant count rate was highest in the North East (6.1 percent) and lowest in the South East (2.3 percent). Those areas that have experienced higher unemployment and inactivity rates, were more reliant on manufacturing, agriculture, and mining and have, therefore, been more affected by the industrial restructuring of the economy, while some areas have benefited from the growth in the financial and service sectors (Berry, 2014).

Labour markets are shaped by corporate taxes and inward investment policies, and by employment policy that regulates wages, working conditions, redundancy, retirement age, equality, the role of trade unions, etc. These regulations balance labour force and employers' protection, and can create a more or less flexible labour market. Specially during the 1980s and 1990s some authors argued that less regulated labour markets are more flexible and, therefore, more responsive to economic needs and more favourable to economic growth (OECD, 1994). Others, especially after the 1990s, have argued that more regulated labour markets benefit the labour force and the economy (Reed, 2010).

To sum up, in recent years there has been an increase in the number of people unemployed or underemployed as a result of the recent economic crises and of industrial restructuring and the segmentation of the labour market. Labour market policies aim at tackling the risk and effects of unemployment. However, the increase of pensionable-age population together with the rise of unemployment mentioned above, have facilitated recent reforms to, and has challenged the sustainability of, some welfare policies including labour market ones. Different types of labour market policies that might shape labour market structure and flexibility are reviewed next.

2.2 – Labour Market Policies

Labour market policies usually aim at tackling, and in some cases preventing, income insecurity, unemployment, economic inactivity, and low-paid employment. Labour market policies together with labour market conditions and the structure of the labour force, can reduce socio-economic exclusion (Sinfield, 2012b). However, labour market policies are not homogeneous and different policies can have different consequences including facilitating or impeding coordination.

The structural changes mentioned in the previous section, political ideas on the role of the state and its relation to citizens, the austerity discourse (van Berkel and Møller, 2002a), and the increased need for public services (Bahle 2003, Finn 2000) are challenging welfare state paradigms and 'traditional' welfare solutions to unemployment in many European countries (Cantillon 2011, Kazepov 2010, Lindsay & McQuaid 2009, Taylor-Gooby et al. 2004, van Berkel & Møller, 2002a). The focus of this section is on the type of labour market policies available, the dominant policy paradigm adopted in Great Britain, and the main labour market policy for the long-term unemployed.

2.2.1 – Types of Labour Market Policies

Labour market policies have been classified according to their objectives as passive and active policies. Both are capable of enabling and compelling people into participating in employment. Passive labour market policies consists of income transfers or in-kind benefits such as free transport for people that are unemployed or free school meals for children of low-income families. The aim is to provide a minimum income or minimum services for people that are not in paid employment, or are in low-paid employment, and without the means to sustain themselves economically. Claiming rates for all benefits in the UK have fluctuated over time but in the past 14 years to 2014 there was an overall decrease in claims for all income benefits except those claimed by carers (NOMIS, 2014a). Claiming rates were 14.6 percent in May 2000 and 12.9 percent in May 2014, while Jobseekers' Allowance claiming rates were 2.8 percent and 2.4 for the same dates.

Active policies are policies geared to improving access to the labour market by the unemployed, advancement in the labour market by those in low-paid work, or retention

in the labour market by those threatened with redundancy. These policies aim at either increasing the employability of individual—referred to as supply-side policies—or at influencing the functioning of the labour market, especially the supply and accessibility of jobs—referred to as demand-side policies (Evers 2003, Martin & Grubb 2002, van Berkel & Møller 2002). Employability has often been defined as a characteristic of the individual in terms of qualities and skills (Yorke, 2006). This thesis espouses the wider definition of employability coined by McQuaid and Lindsay (2005), which includes individual characteristics and circumstances and broader external social, institutional, and economic factors, and takes into account the demand- and supply-side factors affecting unemployment.

Supply-side policies have been classified in various forms. For instance, Bonoli's (2010) classification focuses on the policies' objectives and instruments: incentive reinforcement, employment assistance, occupation, and human capital investment. In this thesis the following categorisation referred to by various scholars is used: work-first, human capital, life-first, and career-first policies. These approaches are described in turn:

- Work-first: the academic literature defines work-first approaches as policies focused mainly on achieving quick entry to work independently of job quality (Daguerre, 2007), through intensive and short-term job-search support (Lindsay et al. 2007) usually accompanied by conditionality and sanctions, and by a lack of intensive and long-term interventions (Dean, 2003). In official documents, national government policy has many of those characteristics, even if work-first is not named explicitly (Finn & Schulte, 2008). Work-first approaches generally include compulsion on unemployed individuals to participate in relevant programmes, with the threat of sanctions for non-compliance (Bivand et al. 2006, Finn 2000, Lindsay et al. 2007).
- Human capital approaches aim at personal development and increasing long-term skills, with the objective of entry into paid employment. Rather than quick entry into the labour market, these promote entry into sustainable and adequate jobs (Lindsay et al. 2007).

- Life-first approaches promote general well-being and an increase in social and human capital. The emphasis here is on the life-needs of the individual (including work) before any duty or obligation to partake in paid employment (Dean, 2007). It focuses on human capabilities rather than human capital, and is influenced by Sen's (1999) Capability Approach, which speaks of the capability sets a person has and the freedom to choose a life that a person has a reason to value (Bonvin 2008, Sugden 1993).
- A recent approach has been labelled career-first (McQuaid & Fuertes, 2014). This approach is situated between, and is different from, work-first and human capital. It is aimed neither at the long-term development of skills, nor at the quick take-up of *any* job. It emphasises the sustainability and adequacy of jobs for the individual with a focus on job career, job progression, and longer-term career progression. A career ladder refers to having a skills set that facilitates job security and progression, even if job mobility between employers occurs.

Labour market policies tend to present a mixture of these characteristics, although there is usually a preference for one over the others. In the UK, especially from around the 1980s, active labour market policies have typically followed more a work-first approach (Sol & Hoogtanders 2005, Taylor-Gooby et al. 2004). Policies focus mainly on short-term job-search interventions and are often compulsory with the aim of achieving a quick return to work, with some initiatives including human capital elements (Lindsay et al. 2007). Although the balance between demand- and supply-side policies has changed over time, supply-side policies have often dominated the support provided to those receiving out-of-work benefits (Green & Turok, 2000). Responsibility for labour market policies rests with the Department for Work and Pensions created in 2001 as a result of the merger between the employment and social security departments (Green & Orton, 2012). Although the Department for Work and Pensions funds labour market policies for both short-term and long-term unemployed, the policies for these two groups differ slightly. Jobcentre Plus, which is the national public employment service, has been the prime provider of employment services for the short-term unemployed in the UK, and contracts out the provision of some services to other organisations (Davies, 2010). The majority of services for the short-term unemployed are supply-side initiatives such as job advice, in-work training, and work experience. There are a small number of demand-

side measures such as wage subsidies and incentive payments. Policies for the long-term unemployed are usually provided by the private, public, and third sector, which are contracted by the Department for Work and Pensions. The majority of initiatives are again supply-side policies including both work-first and some human capital elements (Lindsay et al. 2007) with limited demand-side policies (Zimmermann & Fuertes, 2014).

The justification for the dominance of work-first solutions has rested on research indicating that these policies achieve better labour outcomes—in terms of quick entry into the labour market (Berry 2014, Finn & Schulte 2008)—than human capital approaches. However, although this is the case, the literature argues that work-first tends to prioritise those closer to the labour market at the expense of those more disadvantaged (so called 'creaming' and 'parking'), and produces a revolving door to unemployment (Berry 2014, Lindsay et al. 2007), creating perverse incentives for service providers. Human capital policies seem to perform best in the long-term (Card et al. 2010, Dyke et al. 2006, Hotz et al. 2006). While all these approaches focus on the employability or capability of the individual, it is work-first approaches that focus more strongly on behavioural and individual actions as the reason of, and solution to, unemployment (Patrick, 2012). As a result, conditionality and sanctions are necessary in order to encourage and achieve the expected behaviour (Dean 2007, Patrick 2012) and increase peoples' motivation to enter the labour market. However, research has shown that long-term unemployment is related more to the labour demand than individual's behaviour (Sinfield, 2012b). Career-first and, to a lesser degree, human capital approaches acknowledge the influence of structural factors in unemployment.

Labour market policy in Great Britain aims to encourage quick entry into the labour market. Compared against the approach of some other European countries, national labour market policy is characterised by low investment in both active and passive policies in general (Heidenreich & Aurich-Beerheide, 2014): 0.4 percent of Gross Domestic Product compared to over one percent in the Netherlands, Belgium, and Denmark. Of the UK expenditure, 90 percent goes to job-search and short-term training measures, while in other countries this expenditure is less than half of the total, with longer training programmes accounting for more than a third. The expenditure in training as a labour market policy is low in the UK. Different scholars have tried to develop a typology of labour market activation regimes or approaches, although an

established typology such as Esping-Andersen's (1990) welfare regimes has not yet been achieved. These efforts have been based on various criteria that contend with the definition and nature of the problem, the solutions, the state's responsibility and the relation between the state and its citizens. Categorisations distinguish between:

- Keynesian and Schumpeterian welfare states (Dingeldey 2007, Dostal 2007, Jessop 1994);
- Workfare or enabling measures (Dingeldey 2007, Bonoli 2010);
- Social democratic, labourist, social conservative, or neo-liberal forms, depending on the normative grounds of workfare (Dostal, 2008);
- Egalitarian or authoritarian, and competitive or inclusive depending on the nature of the policy measures (Dean, 2007);
- Training and subsidies, job-search services, subsidies and job-search services, and training and job-search services: active labour market policy approaches underpinned by the type of measures deployed (Berry, 2014);
- Nordic, Continental, Eastern, Southern European, and Anglo-Saxon: 'worlds of activation' based on expenditure and prevalence of demanding and enabling measures (Heidenreich & Aurich-Beerheide, 2014);
- Autonomy optimist, welfare independent optimist, paternalist optimist, and activation optimist: activation approaches based on the state's view of the rights and responsibilities of the state and its citizens (van Berkel & Møller, 2002a).

Berry (2014) argues that labour market policy is not only a response to labour market conditions, but is part of the framework that gives rise to certain labour market forms. The UK labour market is characterised by liberalisation and flexibility, which has resulted in high polarisation and weak unionisation. The UK's economic model is sustained more by high supply of flexible and low-paid workforce than on capital investment. Labour market policies based on low income transfers, compulsion to encourage quick return to the labour market, and little human capital development cater for the UK economic growth model (Berry, 2014), as higher benefits could discourage the trend of low-paid jobs and help to break the cycle of disadvantage (Sinfield, 2011). According to Sinfield

(2012b, p.92) *"systems with low benefits and increased conditionality automatically adds to the unsettling, destabilizing effects of increased unemployment"*.

2.2.2 – The Activation Policy Paradigm

Scholars of the subject of public management and labour market policy point to a recent change in the welfare state paradigm, which has been labelled 'activation' (Aurich 2011, Bonoli 2010, Cantillon 2011, Dingeldey 2009, Eichhorst et al. 2011, van Berkel & Borghi 2008). Nevertheless, for some authors, although fashionable, activation is a vague concept (Eichhorst et al. 2011, Genova 2008). Activation is not only a shift towards conditionality and behavioural expectations of those unemployed—which featured in previous unemployment schemes (Sinfield, 2001)—but represents a change in the relations between the state and its citizens, and a redefinition of the perception, the solutions, and the resources invested in unemployment and the problem of social exclusion. The OECD has been a vocal advocate of activation by encouraging a shift from passive income support to active measures, and of using benefits as a work incentive by promoting lower out-of-work benefits and developing in-work benefits (OECD, 1994). The OECD stressed that active labour market policies should aim to get unemployed people back into work through providing pre-employment services, advice and support, targeted and specific training, and by making benefits conditional on improving employability and seeking work (OECD 1994, 2002). Although activation approaches and policies vary amongst countries, van Berkel and Borghi (2007, p.278) define activation through five characteristics. These are:

- Redefinition of social issues as a lack of participation in the labour market rather than lack of income.
- A greater emphasis on individual responsibilities and obligations.
- Enlarged target groups, including previously inactive groups.
- Integration of income protection and labour market activation programmes.
- Individualisation of social interventions.

Activation introduces a lack of recognition of meaningful forms of participation outside the labour market (van Berkel & Møller, 2002b) and labour market participation is seen as '*the'* route out of poverty (Eichhorst et al. 2008), despite arguments from a number

of scholars that macro-economic policies are necessary in order to reduce poverty (Cantillon, 2011). Unemployment is considered an individual's failure. Activation is directed towards larger numbers of individuals with, in many cases, multiple and cumulative barriers to labour market participation. Individuals subjected to activation are required to take part in increasingly demanding and, to some extent, enabling initiatives. Activation reforms differ with regards to the tools used, the level and type of support provided, and the level of coercion or autonomy afforded, and have been classified as enabling or demanding activation (Aurich, 2011).

Activation has altered the content and operational governance of labour market policy (i.e. the manner in which labour market policy is implemented). Due to the aims and scope of activation, and in order that it be fit for purpose, it requires holistic and service-user focused services tailored to local and individual needs (Green & Orton 2009, Lakey et al. 2001, McQuaid & Lindsay 2005, van Berkel & Borghi 2008). Activation has been said to necessitate new governance forms (Bonvin 2008, Eichhorst et al. 2011, Øverbye et al. 2010) that transform the welfare state from a sector-based silo to a multi-sector joined-up seamless service delivery (Karjalainen 2010, Saikku & Karjalainen 2012). Therefore, these policies should ensure multi-dimensional (diverse policy areas) and multi-stakeholder (various service providers) coordination and support (Lakey et al. 2001, McQuaid & Lindsay 2005). Consequently, vertical and horizontal coordination between actors is needed (Laegreid & Rikkja, 2014), with the former indispensable to achieve the later (Karjalainen, 2010). Network governance is thought to be more appropriate for coordinating a multiplicity of stakeholder and policy areas (McQuaid, 2010).

Even though active labour market policies have been common since the 1970s, it was through the 1990s when the turn towards activation became more clearly distinguishable in the UK, which has gained the status as the world leader in activation policy (Finn & Schulte 2008, Lindsay et al. 2007). This was a result of growing policies aimed at labour market participation through welfare-to-work programmes (Stafford & Kellard 2007, Vegeris et al. 2010), make-work-pay initiatives such as the National Minimum Wage and Working Tax Credits, increasing compulsion for unemployed and some economically inactive groups, and the amalgamation of benefits and employment agencies into Jobcentre Plus in 2002. Even with high unemployment as a result of the

2008 economic crisis, activation policies were furthered and welfare reforms, more suited to tight labour markets, introduced (Sinfield, 2011). Labour market policies of the Coalition Government, formed by the Conservative Party and the Liberal Democrats from 2010 to 2015, had welfare-to-work as their core, and were geared towards activation of those previously considered economically inactive and those in low-paid employment. Income protection schemes are being reformed and Universal Credit, which amalgamates a number of benefits, is being introduced (UK Government, 2016). The aim, according to the Department for Work and Pensions, is to improve work incentives and make support simpler and more transparent (Department for Work and Pensions, 2010).

These reforms include greater conditionality for previously economically inactive groups to participate in activation programmes in order to receive income transfers. This 'net widening' of activation follows from the changes to Incapacity Benefit and Income Support that took place from October 2008 when the Labour Government was in office. As a result of the changes, new claimants of ill-health related benefits and those in receipt of disability benefits were, after a Work Capability Assessment and a Work Focus Health Related Assessment, assigned to either the Work Related Activity Group or the Support Group of the Employment and Support Allowance (UK Government, 2015). Changes also affected individuals with child care responsibilities. Since 2008, the conditionality of receiving income benefits on participation in the labour market for those in the Work Related Activity Group and for those whose youngest child is aged five or over (Department for Work and Pensions, 2010) was clearly established. Alongside the previous changes to passive labour market policies, the Coalition Government introduced new active labour market policies such as the Work Programme, which is discussed in detail in the next section. These reforms were central to the Coalition Government's welfare and welfare-to-work policy (Department for Work and Pensions, 2012g).

2.2.3 – The Work Programme

The Work Programme is the main national welfare-to-work policy for the long-term unemployed. It was launched in June 2011 and replaced previous welfare-to-work programmes for the long-term unemployed (Damm 2012, Fuertes & McQuaid 2013b),

including some of those in receipt of health-related benefits. The Department for Work and Pensions launched an invitation to tender in August 2010 for 40 contracts, covering 18 contract-areas in the UK, with four contract-areas having three providers each and 14 areas having two providers each (Department for Work and Pensions, 2012f). In January 2011, 18 organisations were awarded these contracts (Department for Work and Pensions, 2012c): one was a public sector organisation, one was a mixed private/third sector organisation, one was a third sector organisation with some private sector backing secured (Damm, 2012), and the other 15 were private companies. The Work Programme continues the activation trend seen in Great Britain, as it is a compulsory programme for those in receipt of out-of-work benefits, under the threat of benefit sanctions for non-compliance. It furthers the activation trend because the length of sanctions has increased, and the number of people required to comply has widened to include individuals in receipt of Employment and Support Allowance in the Work Related Activity Group. The programme follows the marketisation trend in national labour market policy, with its competitive contracted-out provision of employability services. However, it introduces a number of novel elements (Fuertes et al., 2014) such as larger-sized contracts that might be seen as a way to rationalise the providers' landscape. The focus of this section are those novel elements of the Work Programme that could have an impact on the coordination of activation and are explored next.

Firstly, to be eligible to tender for the contracts, organisations must have an annual turnover of at least £20 million, unless robust evidence is supplied that the organisation can manage a £10 million annual value of the Work Programme[2]. The budget to fund payment to contractors comes from future savings in the Annually Managed Expenditure[3], rather than from the Departmental Expenditure Limit which is the Department for Work and Pensions' maximum annual expenditure budget (Ingeus, no date). Due to the financial eligibility criteria, many private and especially public and third sector organisations were unable to bid for contracts, contributing to the concentration of provision by large multi-national organisations (Fuertes et al. 2014). Although

[2] The financial model of the Work Programme means that contractors will not be paid until job-outcomes are achieved. Therefore, organisations tendering for the contracts are required to demonstrate capacity to manage provision of services up-front of any payment.

[3] The Annual Managed Expenditure (AME) is part of the government's Total Managed Expenditure (TME). It is money spent in areas outside budgetary control: this is all spending that is not controlled by a government department and includes welfare, pensions and things such as debt interest payments. The other part of the TME is the departmental budgets known as Departmental Expenditure Limits (DEL) (HM Treasury, 2013).

competition is a key principle behind marketisation and is central to the effectiveness of new public management (Fuertes & McQuaid, 2013b), the Work Programme's tendering process seems to stifle competition.

The potential disadvantage to smaller providers might appear to be balanced out by the requirement that Work Programme primes (the contracted organisations) list a supply-chain of subcontractors in their bids. Moreover, this requirement might ensure that specialised provision and knowledge is sourced by primes in order to support clients. However, beyond the bidding process, there are no contractual requirements over the extent—if at all—that provision is in fact subcontracted to the supply-chain listed (Simmonds, 2011), and there is no specification of the distribution of financial risk between primes and subcontractors (Mulheim, 2011). This lack of assurances is surprising, since research of previous welfare-to-work programme found shortcoming in these areas (Hudson et al. 2010, Roberts & Simmonds 2011). That said, in the accountability and monitoring arrangement for the programme, the Department for Work and Pensions has made provision for group partnership meetings, led by Jobcentre Plus, between Work Programme primes and subcontractors (Department for Work and Pensions 2012a, Department for Work and Pensions 2012b).

Secondly, in each contract-area there are at least two primes operating in competition. This is similar to the Flexible New Deal contract model (Vegeris et al. 2010), but different since competition is maintained beyond the contract being awarded. Accordingly, Jobcentre Plus refers service-users to Work Programme prime contractors in a systematic and equal way, and the contractor with best performance will be rewarded with incentive payments and a five percent increase in referrals each year from the second year of the contract. This reward will mean that the contractor with best performance will have an increase number of service-users and possibly the solo Work Programme contract in the future. The rationale behind this format is to increase innovation, improve customer service, and enhance performance (greater efficiency and effectiveness). Contracts last five years and can be extended by a further two years, and service-users are in the programme for a maximum of two years. This contract length aims to tackle the criticism that welfare-to-work programmes are too short to be effective and economic (Hudson et al. 2010).

Thirdly, this black-box approach[4] to service delivery is not new to welfare-to-work programmes as such, but the degree of discretion evident in this particular programme is (Department for Work and Pensions 2012b, Hudson et al. 2010, Vegeris et al. 2010). The Department for Work and Pensions has only placed a minimum service delivery standard[5] on primes delivering the Work Programme (Department for Work and Pensions, 2012b). This characteristic means that the governance of the Work Programme has been classified as a business-type new public management, rather than the often centralised-type new public management governance of other welfare-to-work programmes (Fuertes & McQuaid, 2013b). This discretion might allow for more flexible services that better-target local and individual needs than over-specification which can lead to standardised services.

Fourthly, while the sustained and differentiated payment by result approach[6] is not new, what is novel is the classification of clients into nine distinct bands, each qualifying for a particular programme length, up the maximum of 104 weeks (Department for Work and Pensions, 2012c). These two features seem to aim at tackling the often criticised consequences of welfare-to-work programmes that result in creaming and parking (Sol & Westerveld, 2005) and the revolving door of unemployment. This is arguably a departure from the 'traditional' work-first approach of welfare-to-work programmes (Fuertes & McQuaid, 2013b).

A number of factors in the Work Programme might encourage the coordination of various stakeholders from different policy areas and from various administrative levels. These are: the supply-chain of subcontractors, the length of the contract, the black-box approach to service provision, and the sustainability element. If the aim is to offer personalised support to a group of individuals that are—compared to other groups—often further from the labour market, and with multiple and complex barriers to employment, services would require greater consideration of each individual's

[4] The black-box approach to service delivery refers to a contractual model in which the Department for Work and Pensions has placed no procedural requirements on prime contractors delivering the Work Programme, except for a minimum service delivery standard.

[5] The minimum service delivery standard is agreed by the prime contractor and the Department for Work and Pensions, and includes a generic clause that guarantees a minimum contact with every service-user every two weeks (Department for Work and Pensions, 2012e).

[6] This approach means that Work Programme primes receive an attachment fee for every service-user, a job-outcome payment 26 or 13 weeks after entry into work (depending on user group), and after that, a sustainment payment every four weeks to a maximum of 13, 20 o 26 payments (52, 80 and 104 weeks respectively) depending on user group (Department for Work and Pensions, 2012c).

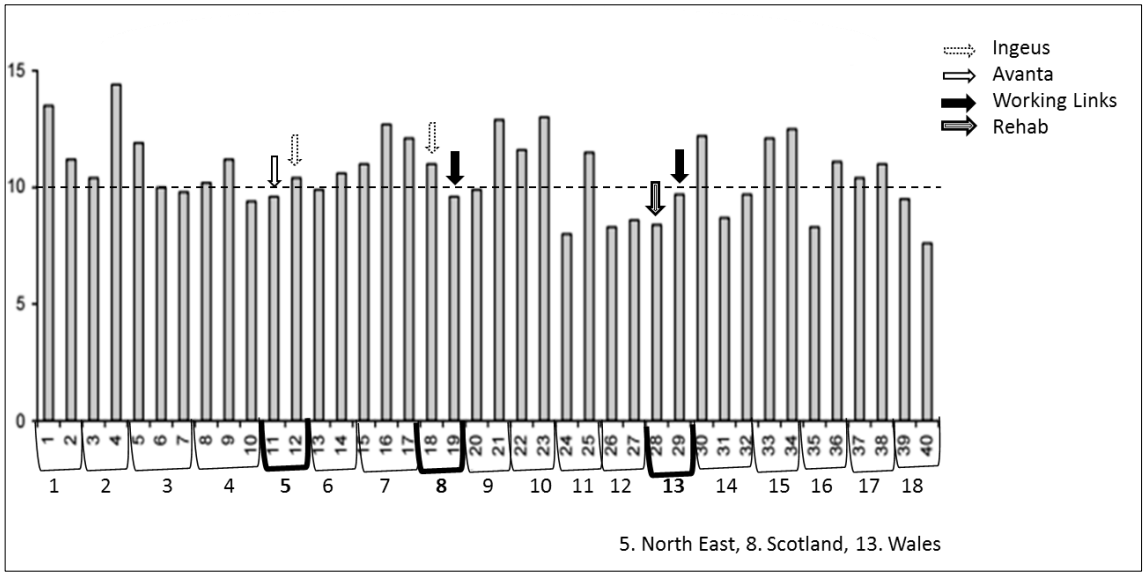
particular barriers to employment. Services would need to be personalised, in terms of procedure and substance (Fuertes & Lindsay, 2016), and it is likely that coordination between actors providing services (i.e. multi-stakeholder coordination) and policy areas (i.e. multi-dimensional coordination) would be necessary. However, there are few studies on the operation of the Work Programme to date. This is in part due to its recent implementation, but it is also due to the difficulty in accessing Work Programme providers' data. The studies that are available—even where not directly researching Work Programme primes—raise concerns about the impact of the Work Programme on third sector specialist providers, as the level of subcontracting appears to be much lower than predicted by Work Programme primes in their bids (Egdell et al. 2016, Fuertes & McQuaid 2016, Newton et al. 2012). Partnership with suppliers seems to be happening, but only in specific contract areas and only by some providers (Rees et al. 2012). Equally, while it is difficult to ascertain the level of innovation and personalisation of provision by the Work Programme, research to date has found little evidence of anything other than standard service delivery approaches (Newton et al. 2012).

With regards to hard outcomes, the Department for Work and Pensions has published quantitative figures that indicate that job outcomes achieved[7] have been lower than expected. Statistics show that for those in receipt of Employment and Support Allowance, the job outcome rate within a year of being in the programme is five percent, while it is three times higher for service-users in receipt of Jobseekers' Allowance (Department for Work and Pensions, 2014). Job outcomes for service-users in receipt of Jobseekers' Allowance have increased slightly over time. This has not been the case for those in receipt of Employment and Support Allowance: even though job outcomes are fairly constant for new Employment and Support Allowance claimants, job outcomes for those claimants that were transferred from Incapacity Benefit have decreased (Department for Work and Pensions, 2014).

Figure 2.1 shows job outcomes for the 40 Work Programme prime contractors grouped by contract areas (from 1 to 18). The contract areas of the North East, Scotland, and Wales have been highlighted.

[7] Job outcomes achieved are measured by job outcomes paid to providers at a certain point in time. A job outcome payment can be claimed after a participant has been in a job for three or six months (Department for Work and Pensions, 2012c).

Figure 2.1 – Percentage of referrals that have achieved a job outcome payment to end of December 2013 by contract area and by provider



Source: Adapted from Department for Work and Pensions (2014, p.13)

Although job outcomes are similar for all contract areas, there are slight differences. Some areas have achieved under ten percent of job outcomes: e.g. contract area 12 (Gloucestershire, Wiltshire and West of England), 13 (Wales), and 18 (North East Yorkshire and the Humber). Others are over the ten percent mark: e.g. 10 (Surrey, Sussex, Kent), 1 (East of England), and 15 (Coventry, Warwickshire and The Marches). Figure 2.1 also illustrates the differences in job outcomes achieved between Work Programme providers within the same contract area. This difference could provide an opportunity to develop good practice examples in service provision, however it is very difficult to ascertain Work Programme service models due to the black-box approach and to the lack of government or other data (Fuertes & McQuaid, 2016).

In summary, labour market policies have changed in recent decades towards the prevalence of supply-side active policies, typical of a work-first approach to labour market integration. This policy area has experienced a turn toward activation—especially visible since the 1990s—that has changed the relationship between the state and its citizens with regards to social security, has individualised the problem of unemployment, and has widened the net of those required to take part in activation. These reforms have occurred at a time of increased employment insecurity, as discussed in the previous section. The Work Programme is the latest welfare-to-work national initiative for the long-term unemployed. It continues and furthers the activation and

marketisation trend of previous programmes, but introduces a number of novel elements. These changes in governance could, arguably, be seen as a departure from previous labour market integration and service delivery approaches that failed to promote coordination in activation. These governance changes are outlined next.

2.3 – Governance of Labour Market Policies

In this section, the governance of labour market policies in general, and of those targeted to the long-term unemployed in particular, are examined. Governance, defined as a framework of principles, structures, mechanisms, and processes guiding interactions (see Chapter 3 Section 3.2), is part of the institutional context and will influence the coordination of activation policy. Various governance forms will have different effects on coordination.

Until the mid-1970s, the governance of social policies was primarily characteristic of a procedural form of governance. It was the instrument of the welfare state when it aimed to meet all the social and economic needs of the citizenry 'from the cradle to the grave' (Osborne, 2010). In the late 1970s and early 1980s, procedural governance was criticised as being inefficient, stifling innovation, ignoring citizens' needs, while promoting bureaucratic interest. Alongside these criticisms, economic pressures underpinned the argument that public administration was unsustainable, because public needs outstripped available public resources. Accordingly, the principle of the government as direct providers of services, and the mechanism of provision under public administration, was increasingly questioned and criticised (Martin, 2010). As a result, in the 1980s and 1990s, a series of reforms took place under the name of new public management (Bevir et al. 2003, Denhardt & Denhardt 2000, Pollitt et al. 2007) and quasi-market governance (Bönker & Wollmann, 2000). Marketisation is one of the characteristics of new public management, and is explored next.

2.3.1 – Marketisation

The introduction of new public management as a form of governance in the provision of social policies is a trend across Europe, albeit with diverse forms and directions. The four M's of maintenance, management, marketisation, and minimisation were introduced to public management (Martin, 2010), and tools such as performance indicators, agencies,

personnel reforms, and public-private partnerships, became common-place in various forms across countries (Brookes 2011, Pollitt et al. 2007). Some scholars saw this trend as the hollowing-out of the state by a retreat and a reduction of government from the area of social services (Denhardt & Denhardt 2000, Pollitt & Bouckaert 2011, Rhodes 1996b). According to Milward and Provan (2000) the 'hollowed out' state often refers to the increasing reliance of the state on contracting-out service provision, and a separation between the government and the services it funds. This results in the increasing commodification of social welfare together with a new ethic of individual responsibility (Bonvin 2008, Langan 2010, Manning 2008, Wright 2012) or conditional obedience (Dean, 2007). Others scholars, however, consider that the same or—due to growing needs and limited resources—an even greater degree of government exists, but with a changed role, format, and responsibility (Bahle 2003, Gladstone 2008). Even though expenditure has remained constant, the allocation of resources has changed, with a strengthening of regulation and controls (Manning 2008, Martin 2010). Government responsibilities now include partnership negotiation and evaluation, with clear principal-agent relationships, and resource-management (Milward & Provan 2000).

Since the 1970s, active labour market policies in the Great Britain have experienced a trend towards marketisation (Finn, 2005), contracting-out, competition, and targets (Bode 2006, Damm 2012). However, as Le Grand (1991) points out, the marketisation of public policy encompasses differences from conventional markets: the state remains involved in the financing of services, providers are not necessarily private, and the consumer is not always involved in purchasing (Van Berkel, Sager & Ehrler, 2012). A policy framework for national labour market policy implementation was crystallised in Freud's (2007) report. In February 2008, the Department for Work and Pensions published its new commissioning strategy, which included market structure and development, commercial strategy, and performance management (Hudson et al. 2010). The Coalition Government formed in 2010 by the Conservative Party and the Liberal Democrats continued the marketisation path of previous governments, albeit with some changes to the operational governance of activation policies. Most of 'Get Britain Working' initiatives, which are the active labour market policies for the unemployed, are contracted-out by the Department for Work and Pensions to private

or third sector organisations through mostly centralised-market governance, with overall limited discretion by providers over services' goals and processes (Zimmermann & Fuertes, 2014).

Markets and business-type managerial models were adopted ostensibly on the assumption that this would lead to greater efficiency and effectiveness of services, increase choice and flexibility, create innovation, and improve customer service (Davies 2010, Freud 2007, Hood 1991, McQuaid 2010, Osborne 2010, Pollitt et al. 2007). Evidence of such outcomes is at best scarce and on occasion contradicts this assertion (Davies 2010, Hudson et al. 2010, National Audit Office 2006), due to the ineffective regulation of quasi-markets, information asymmetries, and the nature of the services delivered (Le Grand, 1991). According to Davies (2010) a number of studies show that contracted-out employment services have not delivered the expected outcomes mentioned above. Corden et al. (2003) found little evidence of innovation, while Hudson et al. (2010) found that innovation was focused on reducing operational cost and achieving performance efficiencies, including developing methods for identifying customer job-readiness. The limited innovation in customer services was found to exist, was linked to providers being furnished with extra resources and benefiting from economies of scale. Evidence for the claim that contractors in the private and third sector provide greater-quality services is, at best, weak: studies often compare different programmes with different target groups, funding, and conditions. Some studies have found no association between the providers' sector and its effectiveness (Davies 2010, Hasluck & Green 2007), whilst others conclude that the public sector, in some instances, outperforms contractors from other sectors (Davies, 2010).

Furthermore, open competition (through partial or full obligatory outsourcing) could pose a threat to public providers (van Berkel, de Graaf & Sirovátka, 2012) and to a squeezing-out of third sector organisations (Osborne et al., 2012). Instead, decades of new public management and outcome-based programmes have witnessed the well-researched 'revolving door' of unemployment and may have influenced the increased focus on sustainability rather than simply job entry. However, despite great interests by policy makers in outcome-based or performance-based policies, there are difficulties in achieving sustainability of outcomes (Scottish Government, 2008c). According to Davies (2010), the availability and quality of evidence makes it impossible to claim that the

government is using evidence-based policy with regards to marketisation of employment policies (Cabinet Office 1999, Department for Work and Pensions 2006). As a result of new public management, the provider landscape became diverse, crowded, and fragmented (Christensen & Laegreid 2012, Lowdnes & Skelcher 1998) and accountability and the steering capacity of government got lost (Rhodes, 1996). New public management attracted criticism due to disappointing outcomes, some undesirable and unintended consequences, and its failure to achieve the proposed aims. Due to these criticisms, changing socio-economic conditions, and the move towards activation, some scholars claim that a new type of governance is replacing new public management. This argument is explored next.

2.3.2 – New Governance Forms

New public management's shortcomings, alongside changing socio-economic conditions, and the increasingly complex, pluralist, and interdependent nature of policy-making have, according to some scholars, opened the way for new forms of governance (Christensen & Lægreid 2007, Geddes 2008; Klijn 2008; Lange et al. 2013; Pollitt & Bouckaert 2011), inspired by partnership-working (Osborne 2010, Pollitt et al. 2007). According to some scholars, for activation to achieve its objectives, it requires a multi-sector joined-up seamless service delivery. The rationale seems to be that if a growing number of individuals with multiple, complex, inter-related and cumulative barriers to employment are going to be effectively activated into participating in the labour market, activation policies would have to be tailored to local and individual needs (Øverbye et al., 2010). Localism and individualisation, is likely to involve the coordination of various policy areas, service providers, and administrative levels (Fuertes & McQuaid, 2013b). Thus, the move to activation has fostered reforms aimed at re-organising and coordinating the social security systems for working-age people (Champion & Bonoli, 2014).

The new governance has been named in different ways, but an allusion to networks of various organisations in the development and delivery of social policy is a constant. Some scholars opine that a mix of 'state-market-civil society' in the provision of welfare is a new governance form (van Berkel & van der Aa 2012, McQuaid 2010), while others consider that the mix has always existed and the novelty is to be found in the new

balance between actors' importance and relations (Bode 2006, Kenis & Schneider 1991). While networks are not new, public management failures have heralded networks as superior to hierarchies and markets (Pollitt & Bouckaert, 2011). As a result, new public governance has been described as a different paradigm from new public management (Klijn 2008, Lindsay et al. 2014, Osborne 2010, Rhodes 1996, van Berkel et al. 2012). However, there is some scepticism about the transition to, and existence of, new public governance in practice (Christensen & Lægreid 2007, Denhardt & Denhardt 2000). Other authors argue that even if many of the characteristics of new public management are still present, there is a transition towards network governance (de Vries & Nemec 2013, Lindsay et al. 2014, Osborne 2010).

The concept of partnership arose in service delivery in the 1980s and 1990s as a rule in public policy and private enterprise (Lindsay & McQuaid 2008, McQuaid 2010). The previous Labour administration used the joined-up government concept to describe the need for coordination and partnership-working (Davies, 2010). This was in part influenced by the European Employment Strategy which called both for local partnership-working to facilitate responsive activation services, and for the 'progressive de-monopolisation' of intervention from the Public Employment Service (Lindsay & McQuaid, 2008). The term covers a multi-dimensional continuum of different practices and concepts that take place in different circumstances and locations (McQuaid, 2010). The Coalition government has followed this discourse (Rees et al., 2012). Yet, how is such coordination to be achieved, when according to Stoker (1998), centralisation in Great Britain has been accompanied by a lack of coordination? According to some scholars of inter-organisational relations, the necessity to collaborate arises as a result of new public management governance and the introduction of quasi-markets, such as the increasingly fragmented and overcrowded provider landscape (Lowdnes & Skelcher, 1998). However, McGuire (2006) argues against the suggestions that collaborative public management cannot be addressed by traditional bureaucracies (Alter & Hage 1993, O'Toole 2000), and sees the government as the entity through which collaborative public management occurs and is channelled (McGuire 2006, Pollitt et al. 2007). Accordingly, although 'joined-up', 'networks', and 'partnerships' have become 'buzz-terms' in relation to public service planning and delivery, empirically, it unclear whether the rising discourse on network governance has influenced the implementation of

activation policies or, as Considine and Lewis (2012) suggest, network governance is a declining trait.

In summary, new public management as a form of governance of labour market policies displaced public administration governance in the 1970s, with the prediction that marketisation, contracting-out, competition, and targets would improve service provision and deliver value for money. Many of the expectations were not met, while a number of shortcomings from this governance model have been highlighted. In addition, the activation approach to labour market policy seems to require new governance forms able to foster inter-organisational coordination in order to provide individualised and localised services. There is debate about whether these new governance forms, characterised by partnership-working, are already operating within the field of labour market policy, and scepticism as to how new and how prominent these new forms of governance are. The existence of coordination in activation policy is the focus of the next section.

2.4 – Coordination in Labour Market Policy

In this section, the level of, type of, and reasons behind coordination in labour market policies in the Great Britain is explored. Activation requires a growing number of people to take part in labour market programmes and for activation to be effective, individualisation and localism of policies is needed (Øverbye et al., 2010). This is likely to involve the coordination of various policy areas, service providers, and administrative levels (Fuertes & McQuaid, 2013b). Since the focus of this thesis is the level of, and reasons behind, coordination in activation policies for the long-term unemployed in three cities in Great Britain, the following review of coordination studies is of particular relevance. The types of coordination are explored next.

2.4.1 – Types of Coordination

Even though there is no clear definition of coordination (Thomson et al. 2007), coordination is commonly studied as an outcome, process, or both. The literature on inter-organisational relations highlights partnerships as the means to achieving coordination, collaboration, and integration. Partnership or collaboration are often defined by either formal or informal arrangements, or a mixture of both (Thomson et al.

2007). The former is based on legal arrangements, working relationships structured around plans or resources, or agreed objectives and understandings. The latter is based on informal understandings, personal relationships, and practical needs. The OECD incorporates both formal and informal relations into their definition of partnership: *"systems of formalised co-operations, grounded in legally-binding arrangements or informal understandings, co-operative working relationships, and mutually adopted plans among a number of institutions. They involve agreements on policy and programme objectives and the sharing of responsibility, resources, risks and benefits over a specified period of time"* (McQuaid 2010, p.128).

Definitions of partnership vary depending on the author's focus. Powell and Dowling (2006) compile a number of partnerships models found in the literature that can function alongside each other. These categorisations are based on various criteria, including:

- Partnerships' objectives and the level of operation: 'facilitating' at strategy level, 'co-ordinating' at management and implementation levels, and 'implementing' at a pragmatic level (McQuaid, 2010).
- Relationship between partners: principal-agent relationships, inter-organisational negotiation, and systemic coordination.
- Aims and outcomes: synergy / inter-organizational model, transformation / systemic coordination model (Green & Orton, 2012), or budget enlargement partnerships.
- What is coordinated: institutional, management, or operative and functional integration (Genova, 2008).
- Avenues for coordination: soft/minimalist, or hard/maximalist coordination measures (Øverbye et al. 2010).

Partnership, according to McQuaid (2000, 2010) and Lindsay and McQuaid (2008), can potentially deliver coherent, flexible, and responsive services. It can facilitate innovation and the sharing of knowledge, expertise, and resources, whilst improving efficiency and synergy and achieving lower cost (Heidenreich & Aurich-Beerheide, 2014). Partnership can potentially avoid duplication, increase accountability, and encourage capacity

building and legitimisation. Coordination between agencies is said to be important in order to both tackle and prevent social problems effectively (Sinfield, 2012a), and to provide service-users with genuine responsibility and the freedom to choose (Bonvin, 2008). According to the literature, coordination can arise as a result of the need to:

- Efficiently allocate and acquire scarce resources (Thomson et al. 2007), due to the constraints in public resources and funding requirements (Lowdnes & Skelcher, 1998).
- Acquire advantages (Alter & Hage 1993, Ebers 1997, Gulati et al. 2000).
- Reduce uncertainty and opportunistic behaviour (Williamson, 1991), as a result of vulnerable positions or due to highly competitive environments (tendency to mimicry).
- Achieve collective goals (Galaskiewicz 1985, Oliver 1990), and enhance legitimacy.
- Reduce duplication of efforts (Litwak & Hylton, 1962a).
- Open up decision making processes in an increasingly fragmented organisational landscape (Lowdnes & Skelcher, 1998).

Or as a result of:

- The complexity of 'wicked' social problems that need complex solutions (Lowdnes & Skelcher 1998, Rhodes 1997, Stewart 2005) that transcend organisational boundaries, administrative levels, and policy areas (Laegreid & Rikkja, 2014), and for which no single organisation can provide all the required services (Milward & Provan 2000, Stoker 1998).
- Raising organisational interdependence (Thomson et al. 2007).
- Policy and administrative devolution to local communities, quasi-government agencies, local government (Lowdnes & Skelcher 1998, Milward & Provan 2000, Stoker 1998, Thomson et al. 2007) or territorial rescaling (Kazepov, 2010).
- The introduction of new public management and quasi-market governance (Lowdnes & Skelcher, 1998) which results in decentralisation, the proliferation

of institutions and providers, and funding requirements (Lowdnes & Skelcher, 1998).

- The increasingly fragmented organisational landscape resulting from the increased number of service providers and institutions (Lowdnes & Skelcher, 1998) which weakens the capacity of control by administrative levels and gives rise to vertical and horizontal coordination challenges (Stewart, 2005).

Coordination as a result of devolution or decentralisation of responsibilities, together with the complexity and fragmentation of multi-level governance is a recurrent theme in the literature (Green & Orton, 2012). Local actors have been recognised as key in policy implementation (Finn 2000, Fuertes & McQuaid 2013a, Kazepov 2010, Künzel 2012, McQuaid 2010, Zimmermann et al. 2014). The move towards new forms of network governance, as a result of a change in the role of the state and the emphasis on individualised and localised activation, has meant decentralisation and devolution have taken centre-stage, and sub-national actors have come to the fore in labour market policy. Holistic policy is more likely to occur in flexible and dynamic systems of local governance (Green & Orton, 2012) where local actors have discretion (Bonvin, 2008) and situated action—non-hierarchical action by local actors that have capability for voice—exists (Green & Orton, 2009). This allows for coordination between local actors to take place. However, centralised localism still remains the key characteristic of labour market policy administration in the Great Britain (Lindsay & McQuaid 2008, Minas et al. 2012), despite the rhetoric of subsidiarity (Kazepov, 2008). Alongside the still-centralised national labour market policy, there exists an increasingly fragmented sub-national governance, with tensions around this centralisation/localisation and around marketisation (Green & Orton, 2009).

The need for coordination as a result of the proliferation of institutions and providers, and the fragmented provision landscape, a consequence in part of new public management, is often mentioned in the literature (Kazepov 2010, Stewart 2005). The introduction of a number of service providers independent of those developing and funding policy has consequences for service provision. Marketisation brings new aspects on procurement, control and monitoring, and regulation into the operational governance of activation policy. The regulation of services can be based on regulating providers, the process, clients, or all of them (Zimmermann et al., 2014). Each approach

will produce diverse results for policy development, implementation, and stakeholder coordination. Regardless of the implementation and accountability options, one consequence is the need for coordination between the various services providers, unless only one organisation is able to provide all the services required for all the service-users. Coordinating various actors has been sought through collaborative networks and market relations (Heidenreich & Aurich-Beerheide, 2014), around projects, case management organisation, or loose subcontracting (Fuertes & McQuaid, 2013a).

The aim to provide more holistic, personalised, and localised services, and the consequential need for coordination, are central themes in the literature. Due to the complexity of barriers to integration in the labour market, services from various policy areas are desirable (Christensen & Lægreid 2007, Laegreid & Rikkja 2014). The literature on activation policy is often focused on the coordination between labour market policies and social assistance (Champion & Bonoli 2011, Genova 2008), the latter understood as income transfers through monetary benefits. However, complex problems will tend to require coordination between a range of actors from various policy areas that each contribute to the solution (Green & Orton, 2012). Suggested instruments of inter-departmental coordination include boards and advisory committees (Zimmermann & Fuertes, 2014), department or budget mergers, and collocation of staff. In many European countries, there has been a merging of, or coordination between, social security and labour market systems (Heidenreich & Aurich-Beerheide, 2014). There is less focus in the literature on the coordination between labour market policy and other policy areas such as housing, health, economic development, and childcare.

In the labour market literature, coordination is key to activation and it focuses broadly on three dimensions: coordination between administrative levels (multi-level coordination), across policy areas (multi-dimensional coordination), and amongst providers (multi-stakeholder coordination) (McGuire, 2006). As Øverbye et al. (2010) argue, state and institutional structures impact on the level and type of coordination. The literature also deals with the facilitators and obstacles to coordination, which is the focus of the next subsection.

2.4.2 – Facilitators and Obstacles to Coordination

A number of factors that facilitate coordination have been identified (Dacin et al. 2008, Litwak & Hylton 1962), including:

- Clear strategic focus (Lindsay & McQuaid 2008, McQuaid 2010) and objectives (Osborne et al. 2011).
- Partners sharing a common purpose (Miles & Trott 2011) and clear goals and aims (Osborne et al. 2011).
- Strategic leadership and support (Lindsay & McQuaid 2008, McQuaid 2010, Miles & Trott 2011), commitment and motivation (Osborne et al. 2011).
- Trust and open attitude (Osborne et al. 2011) and capacity for co-operation and mutualism (Lindsay & McQuaid 2008, McQuaid 2010).
- Organisational complementarity that increases the opportunity of added value from the partnership (Osborne et al. 2011), coterminosity (i.e. sharing the same boundaries) and co-location (Lindsay & McQuaid 2008, McQuaid 2010).
- Reciprocity, sharing of power, control, and resources (Miles & Trott 2011 Osborne et al. 2011), together with leadership (Miles & Trott 2011).
- Incentives for partners and 'symbiotic inter-dependency' (Lindsay & McQuaid 2008, McQuaid 2010).
- The value of action and outcome-oriented procedures (Lindsay & McQuaid 2008, McQuaid 2010).

The literature also identifies a number of barriers to achieving coordination (Heidenreich & Aurich-Beerheide 2014, Miles & Trott 2011, Stewart 2004), including:

- Centralised localism and lack of discretion and flexibility (Green & Orton 2009, Lindsay et al. 2008), institutional inertia (Miles & Trott 2011), and policy rigidities (Heidenreich & Aurich-Beerheide 2014, Stewart 2004), or lack of institutional capacity and control (Green & Orton, 2012).
- Different ideology with regards to provision or provision avenues (Green and Orton, 2009), policy agendas (Green & Orton 2012, Heidenreich & Aurich-Beerheide 2014, Stewart 2004), or organisational agendas (Stewart 2004).

- Protection of resources or imbalance of resources and power (Heidenreich & Aurich-Beerheide 2014, Miles & Trott 2011, Stewart 2004), lack of accountability, and lack of participation which presents legitimacy issues.
- Standards and performance targets (Stewart 2004).

Based on these studies, barriers to and facilitators of coordination are summarised in Table 2.1.

Table 2.1 – Factors facilitating and hindering coordination

Facilitators	*Barriers*
Clear strategic focus and objectives (goals and aims).	Conflict over goals and principles due to organisational agendas
Sharing a common purpose. Strategic leadership and support, commitment, and motivation	Differences in philosophy Legitimacy issues: lack of accountability and lack of participation
Trust and open attitude, and capacity for co-operation and mutualism	Institutional inertia, policy rigidities and accountability structures
Organisational complementarity, coterminosity, and co-location	Protection or imbalance of resources, and power struggles
Reciprocity, sharing of power, control, and resources, together with leadership Resource dependency, scarce resources and competition	Performance targets Limited resources
Incentives for partners and 'symbiotic inter-dependency'. Value of action and outcome-oriented procedures	

Source: Author, based on Green & Orton 2009, Green & Orton 2012, Heidenreich & Aurich-Beerheide 2014, Lindsay et al. 2008, Miles & Trott 2011, Stewart 2004.

Some scholars argue that the pull of fragmentation is stronger than the pull of coordination. Fragmentation in local governance has being accentuated by globalisation and competition, and by the challenges to the welfare state with growing needs and decreasing resources (Stewart 2004). Coordination will depend on the formal and operational policy governance and could be achieved through hierarchy, market, or network relations. These different relations could all be present at different points in the partnership cycle (Lowdnes & Skelcher, 1998). Partnerships or networks can be encouraged or prescribed by law, or can emerge by informal and evolving relations (Lowdnes & Skelcher 1998, O'Toole 2000). There is, however, a debate over the

compatibility of partnership-working and market governance through contacts. Lowdnes and Skelcher (1998) argue that quasi-markets require organisations to be connected through a complex web of interdependencies in which collaboration is necessary. Although there are instances of the co-existence of inter-agency co-operation and contracting-out (Lindsay & McQuaid, 2008), due to the competitive nature of quasi-markets and the ubiquity of outcome-performance, these have tended to involve principal-agent relationships, rather than peer to peer.

To sum up, critiques of partnership vary depending on the author's focus, but generally the claim is that partnerships can potentially deliver coherent, flexible, and responsive services, improve efficiency and synergy, and achieve lower cost. In the labour market literature, coordination is key to activation and, focuses broadly on three dimensions: coordination between administrative levels as a result of devolution or decentralisation of responsibilities (multi-level coordination), across policy areas because of the complexity of barriers to integration (multi-dimensional coordination), and amongst providers due to the proliferation of institutions and providers (multi-stakeholder coordination). Partnerships or collaboration can arise for a number of reasons, and a series of factors including governance forms can facilitate or hinder coordination.

2.5 – Summary

In order to understand the type of and reasons for coordination in activation policy, the labour market policy context in the Great Britain has been set out in this chapter though a review of the literature. The chapter's argument is that labour force characteristics, the labour market environment, the type of labour market policies, and the governance of these policies, will determine and affect the barriers to, and facilitators of, coordination in activation policy. The literature reviewed addresses the thesis' research questions in general: what type of coordination occurs in activation policy?; what is the influence of governance on coordination types?; which factors facilitate coordination? The analysis of the empirical data will address the research question focusing on activation policy for the long-term unemployed.

Since the 1980s there has been a clear restructuration of the UK's economy, with a decrease in 'traditional industries' and an increase in the service industry in terms of their Gross Domestic Product contribution. Job losses in traditional industries have not

been offset by job gains in new industries, and jobs created in the service sector have tended to be low-skilled, temporary, with low security, low upward-mobility, and low incomes. In the last decade, the UK has experienced high long-term unemployment rates especially for older age groups, high unemployment rates for younger age groups, and rising levels of underemployment. While the working-age population in the UK has decreased slightly, the number of older people in relation to younger age groups has been increasing steadily. The ageing of the population, the rise in unemployment, and the recent economic crisis have facilitated an austerity discourse that challenges the sustainability of the welfare state and underpins the recent reforms to labour market policies.

Labour market policies aim to tackle unemployment and its consequences, and diverse policies have different effects on the labour force, the labour market, citizens' rights and responsibilities, and will require different levels of coordination. In Great Britain, the move to activation with a focus on quick integration into the labour market through welfare-to-work programmes, has been dominant since at least since the 1990s. Activation has altered the content and operation of labour market policy and, in order to provide individualised and localised services, necessitates new governance forms to ensure vertical and horizontal inter-organisational coordination. New public governance characterised by partnership-working is said to be replacing new public management, although there is scepticism as to how new and how prominent it is. The Work Programme is the main national welfare-to-work policy for the long-term unemployed, and it continues and furthers the activation and marketisation trend in labour market policy in Great Britain. It, however, introduces a number of novel elements that could impact on coordination of activation that will be investigated in this thesis.

In the labour market literature, coordination is key to activation, and focuses broadly on three dimensions: multi-level, multi-dimensional, and multi-stakeholder coordination. However, literature on multi-dimensional coordination focuses on social security and activation policy, rather than, or as well as, other policy areas. The rationale for coordination can be broadly classified into two camps: resource dependency, transaction cost theories, and economic advantages on the one hand; and as a result of organisational interdependence due to complex problems, devolution and decentralisation, and new public management on the other. A number of factors are

considered barriers to or facilitators of coordination, including: common goals and philosophy, trust, leadership and commitment, power sharing, resource-availability and balance, and flexibility. Since the focus of this thesis is the level and reasons behind coordination in activation policies for the long-term unemployed in three cities in Great Britain, this is of particular relevance. The next chapter focuses on the analytical framework to be used.

Chapter 3 – Conceptual and Theoretical Framework

In this chapter, the theoretical framework that underpins and guides the analysis in this thesis is presented. Three interlinked theories and frameworks from three areas of study are employed to identify the causal mechanisms that facilitate or hinder inter-organisational coordination. These are: governance, inter-organisational studies, and institutional logics. First, governance—as a framework of interactions in a particular policy area—is used to understand the operational structures in the policy process that affect vertical and horizontal coordination. Second, inter-organisational theory is applied to analyse the influences on coordination of the larger environment in which organisations are embedded. Third, institutional logics theory is employed to restrict the scope of the field of analysis and to explore the cultural symbols and material practices that guide actors' activities in the field. Additional theories could also have been employed, but it was considered that the analysis would have become overly complex and shallow. Based on these three theoretical traditions, an analytical framework is developed that is used as a lens throughout the analytical process. Theory is applied in a dialectical manner. The theory used is therefore open to modification, and the study is open to new theories during and at the end of the study (Saka-Helmhout, 2014). Consequently, although guiding the research, the theoretical framework does not rigidly prescribe it.

This chapter is divided into five sections. It commences with an introductory section that situates the thesis within the policy process literature. In the second section, the concept of governance and the characteristics of governance types is examined. The focus of the third section is inter-organisational relations studies. Institutional logics theory is the focus of the fourth section, and a brief conclusion ends the chapter.

3.1 – The Policy Process

The aim of this section is to situate this thesis within the policy process literature. Since the Second World War, governments in Europe have traditionally been the institutions that have systematically put in place specific social arrangements to tackle a number of social problems and social needs. State responsibility for social problems has given rise to welfare states. According to Bahle (2003), the institutionalisation of welfare states requires a number of factors: importantly, the integration of actors from the public,

private and third sector, and the definition of their roles and relationships within the system; and the setting up of resource allocation, control mechanisms, and delivery structures. This thesis is concerned with unemployment, which is often defined as a social problem, and for which social solutions have been made available via labour market policy as part of a country's welfare system.

Welfare policies are inevitably political and value-laden (Gladstone, 2008), since the solutions implemented to ameliorate or eradicate social needs are influenced by judgements and perceptions regarding which needs constitute a social problem, and, in some cases, the solutions taken will also influence perceptions (Manning, 2008). The construction of needs requires close scrutiny (Sinfield, 2013). The academic analysis of the policy process began in the 1950s (Jann & Wegrich, 2007) with the conceptualisation of the policy process as a series of linear and discrete stages of agenda setting, policy formulation, decision making, implementation, and evaluation (Dorey 2014, Jann & Wegrich 2007, Pülzl & Treib 2007). This policy cycle framework has been theoretically and empirically criticised, due to its simplification of the policy process (Jann & Wegrich, 2007). It was not until the seminal work of Pressman and Wildavsky (1973) that policy implementation became a subject of analysis in its own right (Jann & Wegrich 2007, Dorey 2014, Pülzl & Treib 2007). Policy implementation is defined as the action in-between the establishment of an intention and the impact of actions (O'Toole, 2000). The focus of this thesis lies in the study of coordination during policy implementation of labour market policies for the long-term unemployed. Theoretical perspectives in implementation studies are abundant and can be broadly categorised in three groups: top-down (Sabatier & Mazmanian, 1980), bottom-up (Jann & Wegrich, 2007), and hybrid approaches (O'Toole, 2000).

This thesis takes a hybrid perspective to the study of the policy process. This is so since policy development and implementation do not occur in a linear process, are not independent from each other, and are not independent from the implementation context and conditions affecting policy in practice (Bevir et al. 2003, de Graaf & Sirovátka 2012, Pollitt et al. 2007, Sirovátka et al. 2007). However, some scholars highlight that as the top-down and bottom-up perspectives differ on central normative ideas of power leverage, hybrid theories attempt to unite two diametrically opposed and incommensurate approaches with regards to the policy process (Parsons, 1995). One of

the research objectives is to ascertain the existence or absence of coordination between various actors (inter-organisational relations) within an organisational field. Therefore, as explained in Chapter 4 (the methodology chapter), the context, meanings, and mechanisms during policy development and implementation are central to the thesis' objectives. This thesis employs governance approaches, inter-organisational theories, and institutional logics to the analysis of inter-organisational relations in labour market policy. These three theoretical frameworks are explored in turn.

3.2 – Governance Studies

In this section, the concept and theory of governance is examined. Governance influences the existence and nature of coordination in labour market policy implementation (Lowdnes & Skelcher, 1998). Governance defined as a framework of interactions is, therefore, central to the study of inter-organisational relations. Furthermore, according to the institutional logics perspective—with institutional logics defined as the cultural symbols and material practices that guide actors' activities and have the capacity to affect inter-organisational relations—governance and institutional logics can reinforce or undermine each other (Fiss, 2008).

3.2.1 – Broad Definition

Governance, a concept frequently used in public administration, remains difficult to define, theoretically imprecise, woolly, and shapeless (Robichau, 2011). Some scholars define governance as a particular mode of achieving an aim (Bellamy & Palumbo 2010, Peters 2010) and as synonymous with governing. Others, posit governance as opposite to government, or as Rhodes (1996b, p.652-653) puts it: *"a change in the meaning of government, referring to a new process of governing"*. These two definitions of governance are underpinned by two different conceptions of the role of government. On one extreme of a continuum are those who maintain that current governance trends are new and distinct from the past; on the other extreme are those who question the validity of that account (Robichau, 2011). Both positions are explored next.

At one extreme then are those scholars who see government as distinct to governance, and tend to associate the latter with networks where the state is just one of a network of actors operating within the domain of public policy (Jessop 2002, Kooiman 2010,

Milward & Provan 2000, Osborne 2010, Pollitt & Bouckaert 2011, Rhodes 1996b, Stoker 1998). For these scholars, the essence of governance is *"its focus on governing mechanisms which do not rest on recourse to the authority and sanctions of government"* (Stoker 1998, p.17). For them, governance implies that, to various degrees, the role of the state is negligible if not irrelevant (Pierre & Peters, 2005). Therefore, public administration is referred to as governing and stands in opposition to governance. For some scholars, governance is a notion that exemplifies and justifies government retrenchment (Stoker, 1998), while others see governance as a situation that requires different type of government functions, but not necessarily less government (Kooiman & Bavinck, 2005). Governing is understood as to guide, steer, control or manage sectors or facets of societies and is traditionally associated with government, while governance is more about the new dynamics of governing especially non-hierarchical forms where sector boundaries have become blurred (Lange et al., 2013).

On the other extreme, scholars define governance as the action of governing (Hughes 2010, Pierre & Peters 2005, Stoker 1998). For them, governance is the framework for running organisations (Hughes 2010), for exercising authority (political, economic, social and administrative) at different territorial levels (Nelson & Zadek, 2000), and for solving social problems and creating social opportunities (Kooiman & Bavinck, 2005). Governance includes the mechanisms, processes, structures (Hughes, 2010), institutions and interactions, and principles guiding them (Kooiman & Bavinck, 2005) towards their objectives. For some of these scholars there is little evidence of the shift from government to governance and the predominance of non-hierarchical governance (Lange et al., 2013). They emphasise that the governance, as opposed to governing, discourse might underestimate the current role of the state and hierarchical structures (Lange et al., 2013), and the tensions between public versus private (Pollitt & Bouckaert, 2011). According to Lange et al. (2013), there have been shifts or changes in governing, such as in the locus (new actors) and focus (new institutional rules and policy instruments) of governance. These shifts have influenced other aspects of governing such as power relations between actors, decision making structures, the way policy is made, how problems are defined, and which solutions are considered legitimate. These scholars suggest that even if the role of the state is less powerful and omnipresent, by controlling critical resources, it remains the dominant actor (Pierre & Peters, 2005).

Following this second approach to governance, a wide definition of governance as the best way to include all the factors that it encompasses, and to exclude equating governance to 'a' particular governance form, is adopted in this thesis. For the purposes of this thesis governance is therefore defined by the author as:

> An all-encompassing framework of interactions, including the principles guiding them, institutions, structures, mechanisms and processes for solving societal problems and creating social opportunities.

A wide definition of governance allows for the multiplicity of actors and the historical variation observed in the creation of social opportunities and solutions to problems to be accounted for. Stoker (1998, p.18) considers that *"the value of the governance perspective rests in its capacity to provide a framework for understanding changing processes of governing"*. In this thesis, however, government is not equated with governance, the former defined by Brinton Milward and Provan (2000, p.360) as the *"formal institutions of the state and their monopoly of legitimate coercive power"*, but is considered just one of the actors involved in the governance of labour market policy.

The concept of governance has two differentiated but interrelated dimensions: one dimension is formal governance, which is used to deal with social problems, also called the substance or content of policy; the second dimension is operational governance, which is the mode of administering policy, similarly referred to as policy implementation (van Berkel & Borghi, 2007). These authors argued that both are linked and that a change in one would very likely affect the other, if not immediately, in the long-term. Formal policy might be situated in the symbolic or cognitive sphere of the welfare institution, while operational governance might be understood as the structures and practices of the welfare institution. This is similar to the definition of governance by Fiss (2008) as composed of governance ideologies and governance practices through which ideologies are enacted; in some cases practices are manipulated and practice diffusion and implementation is contested by interest groups. Implementation is therefore not only a technical process but a political and cultural one, where practices are adapted to fit local needs (Fiss, 2008).

In summary, the study of governance is important in order to understand labour market policy as a government's strategy to deal with social challenges (Pollitt & Bouckaert

2011, van Berkel & Borghi 2007). A number of scholars have categorised governance mechanisms—such as highly institutionalised structures, norms, and cognitive frameworks (Lawrence et al. 2002)—in a number of typologies. These governance types are explored next.

3.2.2 – Typology of Governance

According to Lange et al. (2013) governance models arise from the multiple and complex changes in governing, and influence the adaptive capacity to change of government and communities. Governance forms have been categorised by a number of public administration and public management scholars as ideal types in the Weberian sense (Weber, 1967). It is recognised that governance modes are dynamic and seldom found as ideal types, given that they tend to display a hybridisation with mixed delivery models (Osborne 2010, Saikku & Karjalainen 2012, van Berkel & Borghi 2007, van Berkel et al. 2012), on many occasions producing tensions and contradictions. Nonetheless, ideal types are useful in order to analyse a complex reality. The term 'ideal' does not denote a normative stance, but describes a set of specific characteristics, regarding the core claim and most common articulation mechanisms of these types when and if found in pure form.

Three governance types are adopted in this thesis, reflecting a consensus in the literature on the most common types of governance being observed (Considine & Lewis 2003, de Graaf & Sirovátka 2012,Denhardt & Denhardt 2000, Lindsay et al. 2014, Martin 2010, Osborne 2010, Peters 2010, Pollitt & Bouckaert 2011, Rhodes 1996b), even if not always referred to using identical terminology: procedural governance or public administration, new public management which includes corporate and market governance, and network governance or new public governance. The changes in governance through time are explored in Chapter 2 Section 2.3. These ideal types are, in practice, mostly encountered in hybrid forms, rather than in isolation, and often differ by country and policy area, depending on their aims, results, tools used, and contextual factors (Bevir et al. 2003, de Graaf & Sirovátka 2012, Pollitt et al. 2007, van Gestel & Herbillon 2007). Other governance types, often overlapping with the typology selected in this thesis, exist (Brookes 2011, Lange et al. 2013, Pierre & Peters 2005). The

description below of these four ideal types is guided by an operationalisation of governance that focuses on three key variables of interest to this thesis:

I. *The role of government*;

II. *The regulation and control mechanisms*;

III. *The management of relationships between institutions*.

The characteristics of governance types in each of these key variables are summarised in Table 3.1 and detailed in turn below.

Table 3.1 – Characteristics of governance ideal types per chosen variables

Governance Type		*Key Variables*		
		Role of government	*Regulation and control mechanism*	*Management of relationships*
Procedural		As a provider of services	Hierarchical authority based on rules and guidelines	Bureaucracy based on rules and statutes
New Public Management	Corporate	Enabling services to be provided	Private sector management techniques	Goal driven plans and central audit
	Market	Enabling services to be provided	Competition and performance-based payments	Contracts and the market rationale
Network		Negotiating and brokering	Co-production and negotiation with internal/external shared leadership	Joint action, co-production, and collaboration based on trust and reciprocity

Source: Author based on Considine & Lewis (2003), Künzel (2012), Martin (2010), Osborne (2010), Pollitt & Bouckaert (2011).

Public Administration Governance

Procedural or public administration governance has been characterised as a mode where *the role of government* is seen as that of designing and implementing policies and as a provider of services (Denhardt & Denhardt, 2000). The focus is on administering a set of rules and guidelines, with a split within public administrations between politics and administration, and public bureaucracy has a key role in making and administering policy but with limited discretion. Weber's characterisation of bureaucracy as hierarchical authority, where *the basis of management and control* are rules, laws and

administrative regulations established in documents (Weber, 1967), is relevant in the description of public administration governance. *Relations between institutions* or articulation between actors is mainly based on a system of fixed rules and statutes, so coordination can be through administrative rules and established relationships (Lowdnes & Skelcher, 1998). Bureaucratic organisations use top-down authority with agencies and there is central regulation of clients with legislation as the primary source of rationality and universality as the core claim of service delivery.

New Public Management (includes corporate and market)

Corporate and market governance are both part of what has been termed new public management or enterprise governance (see Table 3.1 above). However, there is an argument that corporate and market governance are distinct governance forms, referring to two different processes: managerialism and marketisation (Martin 2010, Rhodes 1996b). Accordingly, they are considered separately in this section. In both forms, *the role of government* is seen as 'steering' (enabling services to be provided but not actually directly providing them) and creating the mechanisms, incentives, and the structures in order to achieve policy objectives (Denhardt & Denhardt 2000, Rhodes 1996b). *The regulation and control mechanisms* in corporate governance, are based on private-sector management techniques and entrepreneurial leadership applied within public service organisations such as human resource management, benchmarking, targets, and performance indicators (Brookes 2011, de Vries & Nemec 2013, Ehrler 2012, Hood 1991, Pollitt et al. 2007). Policy development is split from delivery, with agencies responsible for the latter (Peters, 2010). *Relations between institutions* are based on goal-driven plans, and services are targeted to specific groups of individuals.

In market governance, *the role of government* is that of provision of services through marketisation and contracting-out (de Vries & Nemec 2013, Osborne & Gaebler 1992), although some scholars question the adequacy of referring to markets in public services, preferring the term quasi-markets (Le Grand, 1991). This is justified on the basis that markets in public services display differences from conventional markets, including the following: the state remains involved in the financing of services, providers are not necessarily private, and consumers are not always involved in purchasing (van Berkel, Sager & Ehrler, 2012). *The regulation and control mechanisms* by statute, standards, and process-requirements, are largely replaced by competition, performance-based pay

systems, and a purchaser-provider split. There is an emphasis on control and evaluation of inputs and outputs through performance management. *Relations between institutions* are based on contracts, price mechanisms, and market advantages mediate relationships. Although quasi-markets might provide flexibility in inter-organisational relations, the competitive nature of the relations might limit the coordination between actors (Lowdnes & Skelcher, 1998).

New Public Governance

There are diverse definitions of and labels for new public governance. One characteristic of this type of governance is that *the role of government* is seen as that of 'serving' by negotiating and brokering interests and shared-values among actors (Denhardt & Denhardt, 2000). In this model the service-users and other stakeholders may have greater involvement in the development and implementation of the policies or programmes: *"clients, suppliers, and producers are linked together as co-producers"* (Considine & Lewis 2003, p.134). *The regulation and control mechanisms* are contractual co-production and client-centred approaches, underpinned by service delivery with leadership shared internally and externally within collaborative structures. *Relations between institutions* is based on informal and flexible multi-actor, multi-level, and multi-sectoral coordination (Duit & Galaz, 2008). Instead of fixed organisational roles and boundaries, the notions of joint action, co-production, or cooperation, are central. This is motivated by a shared common culture, complementary interests, and shared objectives. Inter-organisational relations are underpinned by reciprocity, trust, and loyalty (Lowdnes & Skelcher 1998, Rhodes 1996). According to Karjalainen (2010), new public governance is compatible with market governance but is opposed to procedural governance, although Rhodes (1996) considers competition is not characteristic of network relations.

To sum up, the three governance ideal types chosen have specific and distinct characteristics with regards to the role of government, the regulation and control mechanisms, and the key actors and relationships. It is unlikely that these ideal types will be found in practice. However, there is an increased acceptance that new public governance is a governance form currently or increasingly in place. If this is the case, a great degree of coordination and inter-organisational relations between actors is expected to exist.

3.2.3 – Analytical Framework and Propositions

Labour market policy is considered an organisational field formed by a number of organisations. It is also a policy area structured by formal and operational governance: i.e. the mechanisms, processes, structures, institutions, and interactions, and principles guiding them to achieve an objective. Robichau (2011) stresses the need to achieve clarity in governance research by moving beyond theories and classification towards a productive research agenda, or, in other words, making governance studies meaningful through empirical testing and inductive explorations in governance research. He sets out three questions to further the research agenda: is there evidence of a universal switch from governmental systems to governance structures (state-centric and society-centric perspectives)? Have paradigmatic changes from new public management to public governance occurred? Are networks pervasive as some claim?

Based on the scholarly discussions, two research propositions guide the analysis in this thesis:

> Proposition 1: New public governance characteristics will be prevalent, along with other characteristics from other governance types, in the field of labour market policy for the long-term unemployed.
>
> Proposition 2: New public governance being the dominant form of governance in the policy field will facilitate coordination between actors.

The existence of specific governance forms will be ascertained by examining the following aspects of labour market policy:

- Regulation mechanisms:
    - Public administration governance: rules and guidelines
    - Corporate governance: private sector management techniques
    - Market governance: competition and performance based payments
    - New public governance: co-production and negotiation
- The mode of interaction between key actors:
    - Public administration: bureaucratic

- Corporate governance: goal-driven plans
- Market governance: contractual and market rationale
- New public governance: trust and reciprocity

Inter-organisational relations theory is the focus of the next section. This theoretical approach is used to analyse the types of and rationale behind coordination.

3.3 – Inter-Organisational Relations

The focus of this section is inter-organisational relations theory. Coordination between actors in social policy is a long-standing issue, but has become more relevant in labour market policy as a result of three factors prevalent in the literature: firstly, the inclusion of more actors in the field of policy and the redefinition of the relationship between the state and these actors; secondly, the increased complexity of social problems that require holistic, personalised, and localised services (Christensen & Lægreid 2007, Lægreid & Rikkja 2014) and the constraints on resources (Lowdnes & Skelcher, 1998); thirdly, the devolution or decentralisation of responsibilities to various administrative levels, which has fragmented and further-complicated the administrative arena. These three aspects of coordination have been termed multi-dimensional, multi-stakeholder, and multi-level, respectively (see Chapter 2 Section 2.4.1).

General systems theory is employed in the thesis because it conceptualises organisations as embedded in a system of norms, values and collectivities, linked and interdependent on their environment. This conceptualisation fits with the critical realist approach of this thesis, which emphasises the importance of context for any event (see Chapter 4 Section 4.1). The object of analysis in this thesis (or the event of interest) is inter-organisational relations within an organisational field. This relation will be referred to as coordination. However, these relations are not homogeneous and a typology of types and strength of actors' inter-organisational relations is employed in this thesis. The mechanisms and rationale to achieve various types and strengths of coordination is likely to differ. Reasons for coordination are categorised in two models. The theories selected set out explicit characteristics of inter-organisational relations.

3.3.1 – General Systems Theory

There was a lack of an inter-organisational theory until Evan's (1965) seminal article on a theory of inter-organisational relations, which used Von Bertalanffy's (1951) general system approach (Cropper et al., 2008). Scholars of general systems theory, pointed out that a business organisation is a subsystem of a larger environmental system that includes social, economic, and industrial systems (Johnson et al. 1964), and that a business organisation is *"embedded in an environment of other organizations as well as a complex of norms, values, and collectivities of the society at large"* (Evan 1965, p.B218). As a result, these authors recognised the dependencies between organisations and the environment. Evan (1965) developed the organisation-set concept. The unit of analysis is an organisation or a class of organisations and the organisation-set explains a variety of issues by tracing an organisation's interactions with the network of organisations in its environment. Of interest to this thesis is the possible explanation of *"the forces impelling the focal organization to cooperate or compete with elements of its organization-set, to coordinate its activities, to merge with other organizations, or to dissolve"* using general systems theory (Evan 1965, p.B220).

One of the common themes emerging from the literature on inter-organisational relations is the lack of clarity on a definition of, and a way to measure, coordination (Thomson et al. 2007). Definitions of inter-organisational relations vary depending on the focus of and the discipline underpinning the study. Often, inter-organisational relations studies have been characterised as highly fragmented (Cropper et al., 2011), lacking a sound theoretical framework (Giguère & Considine, 2008), or as presenting many traditions in various fields without a dominant emerging perspective (Sandfort and Milward, 2008). This lack of clarity is the result of a number of factors. Firstly, the existence of multiple theoretical approaches to the study of coordination. Secondly, due to studies being focused on specific topics or specific organisational forms (Cropper et al., 2011). Thirdly, as a result of the practical nature of the research and to the large number of complex elements that these analyses incorporate.

However, coordination is frequently studied as an outcome, a process, or both. In this thesis, coordination is considered to be a dynamic process which refers to the development from a state of relative isolation to a condition of greater coherence. It can be tentatively defined as the process of moving towards a state of minimal redundancy,

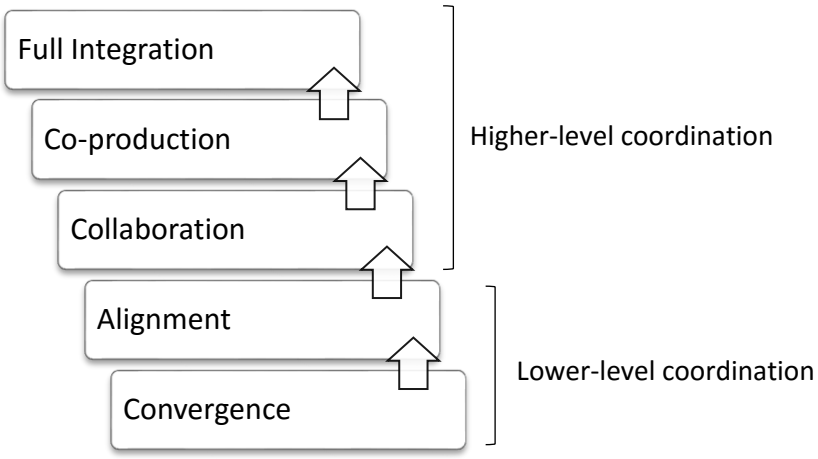
incoherence, and lacunae (Peters, 1998). Partnership or collaboration is considered in this thesis as a result of either formal or informal arrangements or a mixture of both (Thomson et al. 2007). Collaboration can involve but, in spite of suggestions by scholars of inter-organisational relations studies to the contrary, does not require the transaction of material resources (van de Ven, 1976). Formal coordination might be based on legal arrangements, structured working relationships around plans or resources, or agreed objectives and understandings. Informal coordination is often based on understandings, personal relationships, and practical needs. Hierarchical, market, and network inter-organisational relations mechanisms, overlap with the three governance typologies of public administration, new public management, and new public governance. However, some authors in the network governance tradition, such as Lawrence et al. (2002), opine that collaboration is characterised by relations that do not rely on market or hierarchical mechanisms. Others mention market, hierarchy, and networks as mechanisms for coordination (Lowdnes & Skelcher, 1998). In this thesis the attention is on two forms of inter-organisational relations discussed in social policy studies: vertical and horizontal coordination. Vertical coordination refers to the relationships between various levels of government, and horizontal coordination to the relationship between various actors (Christensen & Lægreid 2007, Karjalainen 2010).

In the literature, coordination is often presented as beneficial and able to achieve enhanced efficiency and effectiveness (Christensen & Lægreid 2007, Giguère & Considine 2008, Heidenreich & Aurich-Beerheide 2014, Lawrence et al. 2002, Lindsay & McQuaid 2008, Lotia & Hardy 2008a, Lowdnes & Skelcher 1998, McQuaid 2010, McQuaid 2000). According to Lotia and Hardy (2008a), this suggests there is a functionalist paradigm underpinning the literature that fails to see the negative consequences of collaboration. A normative stance on coordination is not taken in this thesis, and neither coordination outcomes nor organisational coordination processes are analysed. It is the existence or absence of coordination in an organisational field and the barriers to and facilitators of coordination that are analysed in this thesis. In order to do that, various types of inter-organisational relations are depicted next.

3.3.2 – Inter-organisational Relations Typology

Inter-organisational relations are not homogeneous. The production of coordination typologies by different scholars in various fields has been useful in order to understand the different forms of relations, the various mechanisms to achieve them, and the diverse outcomes. However, Sandfort and Milward (2008) consider that it has not led to testing or refining existing typologies but to their increase in numbers. Most typologies focus on the purpose of the partnership, the level where collaboration occurs, or the intensity of collaboration. The attention in this thesis is on the existence of coordination in the field of labour market policies. Therefore, of interest is the type of inter-organisational relations according to their intensity. The typologies focused on coordination intensity in the extant literature often only partly capture and define the strength of inter-organisational relations (see Chapter 2 Section 2.4.1). Fuertes and McQuaid's (2013) and Zimmermann et al.'s (2016) typology categorised inter-organisational relations with regards to the strength of these relations. Coordination sits in a continuum from an absolute lack of coordination (i.e. fragmentation) to a high level of coordination (i.e. full integration). The various coordination levels are: convergence, alignment, collaboration, co-production, and full integration (see Figure 3.1): the first two levels will be referred to as lower-level coordination; the others as higher-level coordination.

Figure 3.1 – Coordination continuum



Source: Author

Each of the coordination levels is a mutually exclusive category and is defined by the level of relation and interaction between actors. Below, each coordination type is

described according to the classification criteria used by Fuertes and McQuaid's (2013, p.42) and Zimmermann et al. (2016, p.241):

- Fragmentation: when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. There is no organisational interaction, no adjustment of objectives, and no acknowledgement of other actors.
- Convergence: when policy levels, fields or actors conduct similar strategies or actions in relation to an aspect/s although with very little coordination (e.g. the need for different departments to consider environmental guidelines in their operations, resulting in a convergence towards an environmental objective). There is some acknowledgment of other actors, and/or some adjustment of objectives, but not direct or regular interaction.
- Alignment: when policy levels, fields or actors conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies. There is some direct interaction (meetings, phone calls etc.) and it is likely that some adjustment of objectives might occur.
- Collaboration or Cooperation: when levels, fields or actors work together towards an objective or common purpose. There are some joint objectives, direct interaction but no integration of staff, resources or data; e.g. purchaser–provider relationship.
- Co-production: the concept refers to, a situation in which different levels, fields, or stakeholders develop strategies or delivery services together. There are joint objectives and outcomes, integration of staff and/or resources and/or data. It is more a horizontal power relation between partners and there is no significant hierarchy (unlike a purchaser–provider relationship). This definition of co-production is different to co-production concept use to mean the involvement of service-users in the delivery of a service.
- Full integration: the highest level of coordination between levels, fields or stakeholders. A situation or process which goes beyond a one-off or project-specific co-production towards a more sustained coordination and merger of objectives, understandings, processes and/or outcomes: e.g. one-stop shops

encompassing both the public employment services and non-employment, non-public, and/or non-local actors.

Because mergers result in a single organisation, some scholars consider them outside the field of inter-organisational relations (Cropper et al., 2008). In this thesis however, full integration that results in a merger is considered as a form of coordination, as coordination is necessary before the merge is complete, and this thesis is concerned not with the outcome of coordination but with its existence or otherwise (or inter-organisational relations). This typology of coordination intensity suits the thesis' objectives of analysing both vertical and horizontal coordination. The possible rationale behind coordination is investigated next.

3.3.3 – Rationale for Coordination

The literature on inter-organisational relations cite a number of factors behind coordination (Brass et al. 2004, Dacin et al. 2008), which are categorised these reasons in multiple and varied ways (Galaskiewicz 1985, Lowdnes & Skelcher 1998). However, van de Ven's (1976) and Sandfort and Milward's (2008) categorisations bear similarities. van de Ven (1976) summarises the reasons for the emergence of inter-organisational relations in two models: the internal need for resources (resource dependency model) or the commitment to an external problem or opportunity (system change model) that requires awareness and consensus among parties. In the latter, factors are internally directed by the environment and the focus is on environmental issues; in the former factors are externally directed from the organisation to the environment. Sandfort and Milward (2008) also provides two major paradigms for understanding inter-organisational relations:

- Theories that cluster around rational forms to maximise production abilities (exchange theory, principal-agent, game theory, and collective action, resource dependence theory, transaction cost theory);
- Theories that point to more nuanced social factors to describe inter-organisational relations (institutional, structuration, and network theories).

Evan (1965) proposes a number of hypotheses around the reasons for coordination and competition: these revolve around a need for resources—which increases the likelihood

of cooperation, a complementarity of functions—that aids cooperation, and a similarity of functions, increasing the possibility of competition. Van de Ven (1976) proposes two hypotheses for the creation of inter-organisational relations:

- The greater the resource dependence, the greater the frequency of inter-agency relations.
- The greater the communications, the greater the awareness and consensus to environmental problems or opportunities.

3.3.4 – Analytical Framework and Propositions

In this thesis, the factors behind the existence or lack of coordination are analysed. Coordination is understood as a dynamic process based on formal and/or informal arrangements. Vertical and horizontal inter-organisational relations in the organisational field are considered, and are categorised according to the intensity of collaboration. Based on the scholarly discussions of the reasons behind coordination, and the facilitators and barriers to coordination, two research propositions guide the analysis. The first proposition falls within the resource dependency model (internal need for resources), while the second is more attuned to the system change model (commitment to an external problem or opportunity):

> Proposition 3: The greater the scarcity of resources and the stronger the competition, the lower the coordination between actors.
>
> Proposition 4: The greater the agreement on goals and purpose, the greater the coordination between actors.

Institutional logics theory is discussed in the next section in order to understand how organisations' goals and purposes are formed and shaped, and how this in turn facilitates or hinders coordination.

3.4 – Organisational Fields and Institutional Logics

The concepts of organisational fields, institutional logics, and embeddedness are investigated in this section. The concept of organisational fields is used to delimit the area of study in this thesis, which is labour market policy. The concept helps to establish

the organisations that form that area of institutional life and to understand the processes that guide their behaviour. The institutional logics concept is employed to ascertain the logics of action that provide legitimacy and ontological security to field members; these logics are instantiated in the field and shape field-level logics. The unit of analysis in this thesis are actors situated within the organisational field of labour market policy development and implementation, and the object of analysis is inter-organisational relations within the field. These theories set out explicit premises for the study of inter-organisational relations.

3.4.1 – Organisational Fields

The concept of 'organisational field' is central to institutional theory. The central focus of organisational field research is understanding the processes that guides the behaviour of field members (Wooten & Hoffman 2016). DiMaggio and Powell (1983, p.148; 1991, p.64) define organisational field as:

> *"Organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resources and product consumers, regulatory agencies, and other organizations that produce similar services or products".*

The concept of organisational field resonates with other concepts in the literature of policy processes. A number of concepts preceded it (Scott 2008, Wooten & Hoffman 2016), while other concepts succeeded it, such as Weible and Sabatier's (2007) 'policy subsystem', defined as a policy area that is geographically bounded and encompassing a number of policy participants. These various conceptions include the notion that the field is a relational space—a 'locale' in which organisations relate to each other (Wooten & Hoffman, 2016). Moreover, the field is a space that mediates between organisations and wider structures providing organisations with 'situational logics' (Mutch, 2014). Defining the organisational field as a relational space requires that consideration be given to the way actors relate to one another (Wooten & Hoffman, 2016) and the way they relate to wider cultural and social structures that lead to appropriate courses of action (Mutch, 2014). The concept of organisational field is not determined by geography or industry. This makes it particularly apt for the objectives of this thesis since the field of labour market policy is analysed in three case studies, in each of which the field could involve distinct geography and include diverse industries.

3.4.2 – Institutional Orders and Logics

Organisations are structured into an organisational field by 'institutional orders'. Institutional orders are the subsystems of society within which the institutions of society are organised (Thornton et al. 2012). Thornton et al. (2012) mention seven institutional orders: family, community, religion, state, market, professions, and corporation. Their typology is built on previous scholars' typologies, and furthers them by adding the community logic. Scott (2008, p.86) defines the organisational field as *"a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field"*.

Each institutional order has an 'institutional logic' that guides and provides actors and organisations with organising principles, motive, and identity, which are the normative, cognitive, and coercive dimensions of institutions (Thornton & Ocasio, 2008). Institutional logics are defined broadly as: *"cultural symbols and material practices, assumptions, values and beliefs by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their daily activity"* (Thornton et al. 2012, p.51). Thornton and Ocasio (2008) stress that institutional logics are not just strategies or logics of action, but provide legitimacy and a sense of order and ontological security. Some of the main characteristics of four of the institutional orders and logics cited by Thornton et al. (2012) are summarised in Table 3.2 below: state, market, professions, and community.

The review of the literature shows that the organisational field of labour market policy is a public sphere in which the government, together with public, private, and third sector actors, play an important role. Family and religion, as institutional orders and logics, could impact on labour market participation and shape public policies in this field; in fact, some of the third sector organisations in this field are underpinned by religious values in their origin and operations. However, family and religion are tangential to the thesis' aim and objectives and their role is limited in the field to justify their inclusion in this research.

Table 3.2 – Institutional logics attributes

Institutional Logics	*Attributes*			
	Core values, mission, and strategy	*Source of legitimacy*	*Source of authority and control*	*Governance mechanism*
State	Increase community-good. Provision of social and public-good through laws and regulation and direct provision.	Democratic participation.	Bureaucratic domination to regulate activities using the law and hierarchy; backroom politics.	State regulations and guidelines.
Market/ corporation	Competitive efficiency in the provision of goods through the market. Build the competitive position of the organisation and increase profit-margins through efficiency, acquisition-growth, and developing market channels.	Market position and Share price.	Shareholder activism and board of directors; industrial analysis and organisation culture.	Managers and the market for corporate control.
Professions	Organisational and individual prestige and the technical quality of the service provided. Professionals as gatekeepers of knowledge shapers of culture; create and define arenas of interest and jurisdiction.	Personal expertise and reputation.	Professional association, the social legitimacy of a mission, and personal status; expertise and celebrity.	Organized bodies of individual members and relational networks.
Community	Unity of will for community values. Increase status and honour of members and practices.	Belief in trust and reciprocity.	Commitment to community values and ideology; visibility of actions.	Social networks

Source: Based on Thornton et al. 2012

Institutional logics stem from the institutional orders of the inter-institutional system, not, as commonly misconstrued, from an organisational field (Scott 2001, Thornton & Ocasio 2008). Institutional logics are locally instantiated and enacted in organisational fields and in other places such as markets, industries, and organisations. As Thornton et al. (2012, p.41) explain:

> *"The content of institutional order(s) specifies the parameters of network relation in organizational fields—the concepts of networks and field dynamics are vacuous without knowing on which of the institutional orders actors in the field draw".*

A number of logics are likely to exist in an organisational field (Greenwood & Suddaby 2006, Kitchener 2002, Lounsbury 2007, Reay & Hinings 2005, Thornton & Ocasio 2008). Organisational field research focuses on uncovering the material practices and symbolic constructions that serve as field-level logics guiding behaviour (Wooten & Hoffman, 2016). Field-level logics are shaped by the logics of the inter-institutional system (Thornton et al. 2012), which is composed of different institutional orders (Thornton & Ocasio, 2008). Institutional logics are similar to Weber's (1958) 'value spheres' which are distinct, autonomous, and constantly colliding spheres of activity that each have their own values, norms, and obligations (Townley, 2002). Institutional logics tended initially to emphasise stability and isomorphism (DiMaggio & Powell 1983, Lounsbury 2007), but research later shifted to focus on change, and organisational fields became a contested area or a 'field of struggles' (Wooten & Hoffman, 2016). It is likely that in organisational fields, various institutional logics coexist, and new logics are introduced, with actors' identities and practices determining which logics become dominant (Harris & Holt 2013, Thornton et al. 2012).

Members of organisational fields need to reconcile contradictory institutional arrangements, because organisational fields are connected to and embedded within other, sometimes conflicting, institutional systems (Wooten & Hoffman, 2016), and organisations are likely to be more centred on one or more of the institutional orders than others (Thornton et al. 2012). The departure from isomorphism towards change introduced concepts such as agency and interest from the old institutionalism. Scott (2008) defines agency as an actor's ability to have some effect on the social world

(Thornton et al. 2012). The contribution of Friedland and Alford (1991) to institutional logics went against rational-choice theory by stating that rationality and the meaning of concepts such as power and resources varies by institutional order (Thornton et al. 2012). Other scholars insist that interests and agency are defined and shaped by institutions and enabled by the field-level logic (Wooten & Hoffman, 2016).

3.4.3 – Embeddedness

DiMaggio and Powell (1983) argue that fields exist to the extent that they are institutionally defined. The process of structuration of an organisational field consists of an increase in the interactions of organisations in the field, the emergence of defined inter-organisational structures of domination and coalition, an increase in the information load, and the development of mutual awareness among participants. Institutional logics consider that structures are produced and re-produced through structuration (Scott, 2008). The structuration concept, first coined by Giddens in 1976 and applied by DiMaggio and Powell (1983) to organisational fields, highlights the recursive interdependence between structures and activities (Lawrence et al. 2002, Scott 2008). The interdependency results because individuals and organisations are embedded within institutions, while at the same time institutions are socially constructed by the actions of individuals and organisations (Thornton & Ocasio, 2008).

The institutional logics assumes embedded agency which stands in opposition to rational choice that presumes individualistic interest (Thornton & Ocasio, 2008), and goes beyond neo-institutionalism which considered that institutional structures were non-rational (Thornton et al. 2012, Townley 2002). The concept of embeddedness is a response to the under- and over-socialised arguments of human behaviour by economists that present atomised actors for whom social relations or the immediate social context have no influence (Granovetter, 1985). Polanyi's concept of embeddedness refers to social institution being enmeshed in politics, culture, and ideology (Polanyi, 2002); in other words, the larger social system. Therefore, this perspective acknowledges that organisations are embedded in a broader context that is influenced and influences organisational action. Institutional logics see rationality as embedded rationality, and stresses that concepts such as competition and technical mechanism such as performance can mean different things under different institutional

logics (Thornton & Ocasio, 2008) because actors' interpretations are moderated by, and dependent on, institutional beliefs (Lounsbury 2007, Thornton 2002).

Thornton et al. (2012) consider that neither Giddens' (1984) structuration theory nor other orienting strategies successfully explain the relation between social structures and action, while the institutional field-logics and the inter-institutional system approach aims at doing that. Power and status are present in all organisations but *"institutional logics shape and create the rules of the game, the means-ends relationships by which power and status are gained, maintained, and lost in organizations"* (Thornton & Ocasio 2008, p.112). At the same time, the reproduction of this logic contributes to the reproduction of power and status. To understand which key actors have more influence in the organisational field, it is necessary to understand the prevailing institutional logic and how organisations' power and status associate with it. Prevailing logics not only legitimise certain strategies and structures, but also determine which issues and problems are salient, and which answers and solutions should be pursued; therefore, with a change in institutional logics, attention shifts to alternative issues and solutions (Thornton, 2002). Organisational fields are made up of organisations with values anchored in different institutional orders, and therefore there are tensions between the institutional logics of organisations in a field (Thornton et al. 2012). Friedland and Alford (1991) argue that conflicts between institutional logics create winners and therefore empower certain groups, which can alter the bases of legitimacy within the organisational field (Kitchener, 2002) and are a force for institutional changes (Wooten & Hoffman, 2016). Wooten and Hoffman (2016) suggest that further research is required to look into how field members relate to each other.

Changes in achievements, new political processes, atrophy of social network, changes in views of legitimacy, and changes in technologies are the processes considered by Thornton (2002) as capable of contradicting a prevailing logic and giving rise to a new one. The same author affirms that change in institutional logics can be reinforced by transformations in governance and, equally, that a change in governance can be reinforced by change in institutional logics; while at the same time institutional logics and governance can experience tensions. Some scholars such as Fiss (2008) and Thornton et al. (2012) equate governance systems and institutional orders and logics.

3.4.4 – Analytical Framework and Propositions

Following institutional logic theory, labour market policy in this thesis is considered an organisational field formed by a number of organisations. Labour market policy is embedded in an inter-institutional system where the institutional orders and logics of the state, the market, the professions, and the community coexist. The various organisations that formed the organisational field pertain to one or more of the institutional orders mentioned. The organisational fields are chosen as the object of analysis because this concept bridges between the organisational and the societal level, connecting organisational studies to wider macrostructures and offering the opportunity of meso-level theorising (Scott, 2008). Organisational field is chosen because it is not geographically delimited, which is necessary for multi-level policy analyses.

Organisations within the labour market policy organisational field are part of different institutional orders and might be expected to follow diverse institutional logics: state logic will likely dominate for local government actors, market logic will be dominant among private sector actors, and community logic is expected to be dominant among third sector organisations. The organisational field will be shaped by the dominant institutional logic of the various organisations.

One of the objectives in this thesis is to ascertain if actors' institutional logics within the organisational field facilitate or hinder coordination between them, and if the prevailing institutional logic in the organisational field facilitates or hinders inter-organisational relations. Institutional field-level logics assume embedded agency, and institutional logics can collide and affect actors' relations. Drawing on this perspective, the following propositions are developed:

> Proposition 5: Organisations from different sectors will be less likely to coordinate in the organisational field due to different institutional logics.
>
> Proposition 6: Organisational fields with fewer competing institutional logics will have more inter-organisational relations.

The existence of specific organisational logics will be ascertained by investigating the following aspects of organisations:

- Aim:
    - State logic: provision of social and public good
    - Market/corporation logic: increase profit margins
    - Professions logic: prestige in the quality of service provided
    - Community logic: commitment to community values and ideology
- Strategy:
    - State logic: provision through laws and regulation
    - Market/corporation logic: competitive efficiency in the provision of goods
    - Professions logic: technical quality of provision through knowledge
    - Community logic: value based service based on knowledge and networks

3.5 – Summary

A hybrid perspective to the study of the policy process is taken; in which, policy development and implementation do not occur in a linear process, they are not independent from each other, and neither are they independent from the implementation context and conditions affecting policy in practice. Three theoretical traditions build the thesis' analytical frameworks that are applied dialectically throughout the analytical process as a lens guiding the research but not rigidly prescribing it. The analytical framework used in this thesis results in six research propositions derived from the theoretical traditions chosen and influenced by the literature review of the field.

Organisations within the labour market policy organisational field are part of different institutional orders that will have diverse institutional logics which in some cases will clash and create tensions. Actors in the field have embedded agency. The organisational field will be shaped by the dominant institutional logic of the various organisations creating a field-level logic that establishes cultural symbols, material practices, and power relations. Institutional logics theory is employed to ascertain if actors' institutional logics within the organisational field facilitate or hinder coordination

between them, and if the prevailing institutional logic in the organisational field facilitates or hinders inter-organisational relations.

Change in institutional logics can be reinforced by transformations in governance and, equally, a change in governance can be reinforced by change in institutional logics. Formal and operational governance influences the existence and nature of coordination between administrative levels, across policy fields, and between stakeholders. Governance theory is employed to ascertain the influence of types of governance on inter-organisational relations, and to investigate if there is a change in the governance of labour market policy towards new public governance that may facilitate vertical and horizontal coordination.

Inter-organisational relations are not homogeneous, and the rationale behind and the mechanisms to achieve various types and levels of coordination will differ. Coordination occurs in an open system where actors interact with norms, values and collectivities, and are interdependent with their environment. Inter-organisational theory is used to situate and define coordination, and to ascertain reasons for coordination according to two major paradigms. To conclude, the theoretical framework developed in this chapter will aid the analytical process with the aim to achieve the thesis' aim and research objectives. In the next chapter the research methodology and research methods are explored.

Chapter 4 - Research Methodology and Methods

In this chapter, the underpinning ontology and epistemology of the thesis is presented and the methodology and the research methods are described. The main questions guiding the chapter are: Why were the specific approaches and methods used in this thesis were chosen? How were these methods applied? How was the analysis of the data conducted?

The aim of this thesis is to develop a framework that might help to better achieve coordination in the development and implementation of labour market policy for the long-term unemployed. Understanding the ontological and epistemological assumptions of research studies is important as these bear a direct influence on the research question, the research methodology, and the research methods. Methodology is the process through which knowledge claims are generated and constitutes a choice of research strategy. Research methods can often be employed by diverse methodologies, but these will influence practical procedures and data analysis strategies. It is therefore necessary, to establish the thesis' approach to knowledge mapped against research quality and ethical guidelines.

The chapter is structured in four sections. First, critical realism and its influence on this thesis is explained. In the second section, the justification for the chosen research methodology is set out. This is followed by an explanation of each of the research methods employed in the thesis and a description of the analytical strategies used. In the fourth section, the quality and ethical standards applied in this thesis are presented.

4.1 – Ontological and Epistemological Standpoint: Critical Realism

The chosen ontology (the study of being) and epistemology (the science of the method of knowledge) underpinning this thesis is critical realism, which is considered the most appropriate for the aims of the study. Critical realism acknowledges the existence of independent structures/entities and of subjective knowledge (Wynn & Williams, 2012) that socially construes the world. Reality is a *"stratified, open system of emergent entities"* divided into three domains: the empirical, which consists of what we experience directly or indirectly and is where observations are made; the actual, where

events happen whether we experience them or not; and the real, where mechanisms operate as the cause of events (Danermark 2002, O'Mahoney & Vincent 2014, p.6).

Epistemologically, critical realism considers that knowing reality is possible while recognising the necessity of interpretive understanding of meanings in social life (Danermark 2002, Sayer 2000) between the three domains in the world (Easton 2010, Wynn & Williams 2012). Although phenomena exist independently of the researcher, the knowledge of the world is imperfect and theory-laden, as it is influenced by the theories, assumptions, and the frame of meaning of the researcher (Easton, 2010). Therefore, knowledge relies on alternative explanations and critical analysis to see events and entities through various theoretical lenses (Easton, 2010). In critical realism, particular attention is paid to processes/mechanisms, especially those that produce or reproduce events. Entities have possessed, exercised, or actualised causal powers (emergence) that are greater than the sum of their parts (O'Mahoney & Vincent, 2014), and cannot be understood in isolation as they are related in an open system. It justifies the thoughtful in-depth research of any situation regardless of the number of units of analysis in order to understand events as they are and the influence of structures and context on the mechanisms that produce the events (Easton, 2010). Ultimately, reality is 'multiply determined' with multiple causes and no single mechanism determining the whole result (O'Mahoney & Vincent 2014, Saka-Helmhout 2014), with dependent relations and context crucial to the research.

The most fundamental objectives of critical realism are causal explanations and clarifying the generative mechanisms in a situation (O'Mahoney & Vincent, 2014). A causal explanations is defined as *"one that identifies entities and the mechanisms that connect them and combine to cause events to occur"* (Easton 2010, p.122) and has at its heart mechanisms, actors' interpretations, and conditions, which are fundamental to events (Gerring 2007, Wynn & Williams 2012). Causality is conceived in an open systems approach, and is reached through continuous cycles of data collection, reflection, and dialogue between the data and the theoretical ideas, resulting in causal mechanisms being inferred through empirical investigation and theory construction (Saka-Helmhout, 2014). The research process embraced by critical realists authors followed in this thesis has been described as a combination of abduction and retroduction, which is distinct from deduction and induction. Abduction takes actors' accounts as a starting point but

in a critical manner (Blaikie, 1993), and combines observations and theory and re-describes the observable in a general and abstracted way that describes regularities and the sequence of causation (O'Mahoney & Vincent, 2014). Retroduction involves 'moving backwards' from observations to explanation and involves moving from researching a social phenomenon to a conception of what could have generated that phenomenon through the construction of plausible models (Bryman 2012, Easton 2010, Mutch 2014, O'Mahoney & Vincent 2014, Saka-Helmhout 2014). Retroduction often requires comparative analysis over time or across cases, and implies a commitment to theoretical pluralism (O'Mahoney & Vincent, 2014). The aim is to generalise theoretical propositions, rather than to generalise across populations, through time and space (O'Mahoney & Vincent 2014). Some authors consider that what makes critical realism critical is that it offers the prospect of the transformation of reality to improve human condition, similar in this sense to critical theory (Bryman 2012, Guba & Lincoln 1998, O'Mahoney & Vincent 2014). Positivism and interpretivism at each extreme of the ontological and epistemological positions were considered less suitable for the thesis, as the former could prove unable to grasp the contextual factors and meanings that influence coordination, while the latter might not easily lend itself to producing theoretically generalisable policy suggestions.

In summary, critical realism is considered a suitable approach to achieve the aim of identifying the causal mechanisms that facilitate or hinder inter-organisational coordination, as it focuses on detailing the processes by which structures, actions, and contextual conditions generate events in a particular setting. These ontological and epistemological assumptions are vital to understanding the research methodology chosen (Bates & Jenkins 2007, Grix 2002, Guba & Lincoln 1998), which is the focus of the next section.

4.2 – Research Methodology and Strategy: Qualitative Case Study

In this section, the thesis' methodological approach, research strategy, and case selection is described and justified. The three principal questions addressed are: Why is a qualitative methodology the approach selected in this thesis? Why case study has been chosen as a research strategy? What are the reasons behind case selection in this thesis?

The section is structured into three subsections, which address the above questions in turn.

4.2.1 – Research Methodology and Strategy

Critical realism is compatible with a number of research methodologies (the process through which knowledge claims are generated), research designs (the overall strategy of research), research methods (the instruments used to collect information), and analytical strategies (the approaches to data analysis). The choice of these depends on the object and objective of the study.

Qualitative methodology is better-suited to this thesis due to the context-dependency of the object of research—that is, inter-organisational relations—and, therefore, the need to elicit rich data to achieve the research objectives (Lawrence et al. 2002, Neuman 2005). Quantitative methodology would be unable to provide the intense and holistic knowledge necessary to understand the mechanisms, actors' interpretations, and conditions that are fundamental in inter-organisational coordination processes. Qualitative methodology is too frequently characterised as non-scientific and subjective, so it is important to follow the rigorous standards that have been set out by qualitative scholars, especially the need to follow *"systematic and transparent ways for data collection"* (Schilling 2006, p.29).

Methodologies can employ a variety of research strategies or designs (Creswell 2014, Vaismoradi et al. 2013). Case study design is suitable for most methodologies and ontological approaches (Creswell 2013, Eriksson & Kovalainen 2010, Hyett et al. 2014), such as an interpretive or social constructivist approach, a post-positivist approach, and a third approach developed by critical realists. The latter is the approach applied in this thesis. Case study design, explored in the following subsection, can incorporate different research methods to suit the research questions and the case (Hyett et al. 2014), which might not be the case with other strategies.

4.2.2 – Case Study as a Research Strategy

Case study is the detailed study of a case or cases, which can be an instance of a particular event or events (Easton 2010, Robson 1993). It relies on multiple lines of enquiry or sources of evidence, because intricate research objectives are better-served

by relying on multiple sources of evidence (Robson 1993, Wynn & Williams 2012, Yin 2009). It is especially apt for and often used in some critical realist studies that aim to establish causal explanations of complex events by identifying sequences of causation or causal mechanisms (Ackroyd & Karlsson 2014, Wynn & Williams 2012). Case study has been chosen as the research strategy in this thesis for the following reasons:

- It is better-suited to how and why type research questions (Yin, 2009), and questions that explore and seek to establish causal explanation of multifaceted events (Wynn & Williams, 2012).
- It is appropriate when there are a substantial number of variables of interest and when the boundaries between the phenomenon and the context are blurred.
- It allows for complex factors to be teased out and disentangled through the study of a small number of instances (Easton, 2010).
- It benefits from data collection and analysis that is lightly theorised (Ackroyd & Karlsson 2014, Kessler & Bach 2014), or guided by theoretical propositions (Yin, 2009).

Even though case study has been widely utilised, according to Hyett et al. (2014), justifications for using this strategy are often not well-established, including justification for case selection and case boundaries. Case study research has often been criticised due to this lack of justification, due to the use of informal research designs, for including too many variables or too few cases, because of its low power of generalisation, or as a result of the lack of systematic and quality research practices employed by case study researchers (Gerring 2007, Hyett et al. 2014). The case study focus, type, and analytical strategy in this thesis are elaborated next.

The focus of the research in this thesis is to determine the existence or absence of inter-organisational coordination (event), the form of coordination, and the barriers to and facilitators of coordination in labour market policy. Particular attention is paid to the mechanisms that produce or re-produce inter-organisational coordination. The unit of analysis are entities situated within the organisational field of labour market policy development and implementation. Because the event of interest takes place between organisations, the focus of the case study is situated at the meso-level (e.g. organisations

or institutions and the relationship between them). The administrative local authority is the geographic area where the case study is located, because labour market policies are developed both at national and local level but are often implemented and delivered at local authority level.

Case study in this thesis is a multiple-case design with a single unit of analysis (a holistic case study). This design is often linked to theory generation (Yin, 2009) or theory building (Eisenhardt & Graebner, 2007) and is often considered a more robust research method compared to theory testing single-case design. Fewer rules apply to sample selection in case studies that aim at generating theory, especially with inductive approaches, compared to theory testing case studies (Bryman, 2012). According to some scholars, case selection, should be underpinned by some tentative ideas, light theorisation, or a theoretical framework with regards to when the process under study is likely, or not likely, to be found (Ackroyd & Karlsson 2014, Kessler & Bach 2014, Yin 2009). This is the case in this thesis, however, case study selection in critical realism should not be treated as an experimental design, since cases are likely to differ in multiple ways (Ackroyd & Karlsson, 2014). The reasoning for case sampling in this thesis is not to generalise to a population but theoretical generalisation.

Theory can take many positions during the research process (Creswell, 2014). In this thesis, following critical perspectives, theory is used as a lens or perspective applied throughout the process of abduction and retroduction as the logic of discovery. Theory led research is driven by an analytical predetermined interest in an area and results in a more detailed analysis of some aspects of the data (Braun and Clarke, 2006). Retroduction is used in comparative case designs as it can determine if outcomes are the result of a mechanism, its context, or the interaction of both (Ackroyd & Karlsson 2014, Kessler & Bach 2014, Saka-Helmhout 2014). An explanatory research strategy is used and relies on configurational logic to infer causal mechanism through *"theoretically guided analysis of relationships among mechanisms, contexts, and outcomes to identify combinations of conditions as causes of events"* (Saka-Helmhout 2014, p.186). Theory is used as a lens but in a dialectical manner, in which it is open to modification or the study open to new theories developed during and at the end of the study. Consequently, the theoretical framework although guiding the research, does not rigidly prescribe it. This

approach is consistent with the critical realist paradigm followed in this thesis, qualitative methodology, and case study research strategy.

The analytical strategy chosen for the individual case studies in this thesis is 'description'. Description is best suited to capture the different political, institutional, and socio-economic contexts. These descriptions, nevertheless, aim to identify causal mechanisms for the existence or absence of the event (Yin, 2009). The findings from each case study are presented, in this descriptive manner, in Chapters 6 to 8. The specific analytical technique used to produce the comparative cross-case chapter (Chapter 9) is explanation-building. The analytical steps taken are the following:

1. Having initial, although tentative, propositions;
2. Comparing the findings of an initial descriptive case against such propositions;
3. Revision of those propositions if necessary;
4. Comparing these revisions with the findings of the second and third case;
5. Finally producing a cross-case explanatory analysis.

This thesis is situated in what Kolbe and Burnett (1991) refer to as interpretative analysis: theory led analysis that aims to explain data without generalisation to larger population. In the next subsection the reasons for case selection are presented.

4.2.3 – Case Selection Rationale

The rationale behind the selection of cases is explained in this subsection. The selection of cases was part of a European Commission research project. The project was funded under the 7th Framework Programme for Research and Technological Development (FP7) under grant agreement No. 266768. The research project entitled 'Local World of Social Cohesion' (LOCALISE for short), was funded from 2011 to 2014, and involved academic institutions and researchers from six European Countries[8]. Within the LOCALISE project, three criteria influenced the selection of cases: population size, area classification (urban/rural), and economic and labour market indicators (see below). As

[8] Further details can be found on the project's website: www.localise-research.eu

a result of the aim of the thesis, one more criteria influenced case selection: territorial administrative status.

Case studies were selected to account for differences in administrative and governance landscape within the Great Britain. One city in each of the nations in Great Britain was chosen: Newcastle in England, Cardiff in Wales, and Edinburgh in Scotland. The aim of this selection criteria was to have contrasting institutional arrangements (Kessler & Bach, 2014) in order to ascertain what influence, if any, they had on the existence or absence of coordination and its mechanisms (the object of analysis). Northern Ireland was not considered as a possible option, since Northern Ireland has devolved powers on employment policy (Wiggan, 2015) unlike for the other devolved nations in the UK where employment policy is a reserved matter. Cardiff and Edinburgh were chosen as large and capital cities of the devolved administrations of Scotland and Wales. Because of its much larger population size compared to those of Edinburgh and Cardiff, it was decided that England's capital, London, would not be an appropriate choice. Instead, because of its roughly-similar percentage of working-age population to Edinburgh and Cardiff, the English city of Newcastle was chosen instead (see Table 4.1).

Table 4.1 – Population and labour market data by city

	2010		*Rates: Apr 2011-Mar 2012*			
	Population	*% 16-64*	*Economically active [a]*	*Employ-ment [a]*	*Unemploy-ment [b]*	*Job density [c]*
Edinburgh	486,100	70.8	76.1	71.6	6.5	0.96
Cardiff	341,100	69.0	72.1	65.4	9.1	0.89
Newcastle	292,200	70.1	70.1	62.9	10.3	0.91
Great Britain	60,462,600	64.8	76.5	70.2	8.1	0.77

Source: ONS annual population survey
Notes: [a] Percentage of people aged 16-64; [b] Percentage of 16-64 economically active; [c] Density figures represent the ratio of total jobs (includes employees, self-employed, government-supported trainees and HM Forces) to population aged 16-64.

Case selection was also influenced by another criterion: each city's labour market health. The three cities are also travel to work areas: in other words, self-contained

labour markets based on commuting to work patterns[9]. The objective was to analyse cities that had different local labour market conditions of prosperity, so as to include contextual factors of different labour market conditions to ascertain if these factors influenced the object of analysis in the thesis. The rationale was that labour market circumstance would influence the number and characteristics of those unemployed, and perhaps, as a result, the approach to labour market policies by local actors. To that end, all NUTS-II regions (the EU classification of economical territorial units for statistical purposes[10]) in the UK were classified with regard to three variables calculated for the year 2008 (Heidenreich, 2012):

- The labour force participation rate as measured by the proportion of a city's working-age population (16 to 64 years) that engages actively in the labour market, either by working or looking for work;
- The total unemployment rate as measured by people who fall into the following categories (out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight) as a percentage of the labour force;
- The regional gross domestic product (the monetary value of all goods and services produced within a country over a specified period of time) expressed as purchasing power parities (PPP) per inhabitant.

The definitions of the three variables mentioned above were sourced from the International Labour Organization. The classification ranked regions against the national average on these three variables as strong, average, or weak economic regions. Compared to the national average, Edinburgh was a city representative of a strong economic region, Cardiff represented an average economic region, while Newcastle represented a weak economic region. Table 4.1 shows labour market conditions in each of the cases selected, compared against the average in Great Britain.

[9] Travel to work areas are defined as areas where "at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area" (Coombes and ONS, 2015, p.4).

[10] The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU. NUTS-I: major socio-economic regions; NUTS-II: basic regions for the application of regional policies; NUTS-III: small regions for specific diagnoses (Eurostat website [accessed 6 April 2013] http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction).

For practical reasons, the case studies were conducted at different times: Edinburgh from April to August 2012; Cardiff from October to December 2012; and Newcastle from October 2012 to January 2013. Edinburgh's case study helped to refine the research questions and the theoretical premises. From Edinburgh's case study, a template was developed that was applied to the other two case studies. Document analysis in Cardiff and Newcastle was more focused and brief than in the case of Edinburgh.

To sum up, case study was chosen as an appropriate research strategy in this thesis. Rich and contextual data is necessary in order to achieve the objectives, therefore, qualitative holistic multiple-case study research was selected as an appropriate methodology and strategy. Case studies are located in local authority areas, their focus is the meso-level, and the unit of analysis are organisations within an organisational field. Cases were selected according to their dissimilar economic conditions and administrative status, and their similar working-age population; the selection reflected tentative ideas on the elements that influence the process under study. The analytical strategy is 'description' for individual case studies and explanation-building for the case studies comparison; theory is used as a lens but in a dialectical manner. In the next section the research methods employed are described.

4.3 – Research Methods: Documents and Interviews

The focus of this section is on the specific methods of data collection employed in this thesis. The three main questions considered are: Why were the particular research methods chosen for this thesis? How were document analysis and interviews employed? How was the sample selected and the data analysed? These are dealt with in turn in the following three subsections.

4.3.1 – Research Methods

Research methods (specific instruments to collect information) should be guided by, and be appropriate to, the research aim. This thesis uses document analysis and interviews as the qualitative methods of enquiry, methods that have been used in other critical realist case studies (Saka-Helmhout, 2014). One of the intentions of this thesis is to identify the causes of the existence or absence of coordination in labour market service provision for the long-term unemployed: the mechanisms, actors' interpretations, and

conditions that are fundamental in inter-organisational coordination processes. The entities of analysis are the organisations that operate within the organisational field of labour market policy.

Document analysis in this thesis is used to investigate policy approaches and strategies to coordination, and to map actors in the local policy landscape. These objectives could be difficult to achieve through qualitative interviews, as each individual is likely to have a partial and, in some cases, practical view of the policy landscape. However, documents too often provide only a partial view of reality—in this case, from a government/official perspective—and therefore, on their own, would be unable to answer the research objectives. Accordingly, this research uses a combination of document analysis and semi-structured interviews to answer the research questions.

Qualitative interviews are a suitable research method for seeking facts and interpretations of processes that take place. Documents might capture processes and mechanisms, whilst often proving inadequate at providing actors' interpretations. Observation can capture coordination processes, although gathering data by this method would require an intensive investment of time, perhaps a reduction in the units of analysis, and probably a change in the thesis' objectives. Further, observation would not be able to capture actors' interpretations of coordination processes. Quantitative methods such as survey or secondary data analysis, could elucidate some of the research questions, but would not provide the rich contextual data and actors' interpretations required by the research.

Data collection was carried out as part of the LOCALISE project[11], but went beyond that required by the project. Not all the data collected in the interviews within the LOCALISE project (data corpus) has been used in this thesis. However, some of the interview data used in this thesis has also been used to some extent in the LOCALISE project, albeit within a different theoretical framework and using different analytical procedures. This thesis expands the documentary data used in LOCALISE, and employs different analytical procedures and theoretical frameworks from the LOCALISE project. The types of

[11] Further details can be found on the project's website: www.localise-research.eu

empirical data, the collection procedures, and the analytical strategies used in this thesis are detailed next.

4.3.2 – Document Analysis

Document analysis, as a method of data collection and knowledge creation, in this thesis is an unobtrusive and non-reactive research method (Corbetta, 2003) and has four objectives:

- To expose strategy and governance of labour market activation policy (both at national and local levels) with regards to coordination.
- To map the actors involved in the organisational field of interest. This will help identify the potential sample for interview participants in an iterative manner (Rasmussen et al. 2012).
- To set up the basis of policy knowledge, especially in terms of the institutional context of coordination. The purpose is to reveal themes that might inform the structure and questions in the interview schedule.
- To increase, through inference and analysis, the body of evidence regarding coordination.

This information will add to and be contrasted with data resulting from the interviews. Documents selected were unsolicited governmental and official written documents: policy, strategic, and evaluation documents from government bodies or other actors involved in policy development. The selection of documents was underpinned by two criteria:

1. Administrative level: documents relating to labour market policy from the various administrative levels in each case study were analysed. In the case of Edinburgh and Cardiff, this meant policy documents from the devolved national administrative level (Scottish Government and Welsh Administration), and from the local government level. Newcastle was similar but without any documents relative to devolved administration.
2. Policy Area: documents relating to various policy areas at local level for each case study were sourced. For each city, that included local policy documents relating to

the implementation of labour market policy and other policy areas such as poverty and exclusion, families and children, health, and skills and training.

The documents analysed, grouped by a number of categories, are presented in Table 4.2. These documents provide information about the phenomenon of interest (Coffey 2014, Corbetta 2003), but they are treated as a distinct and in some cases constructed reality (Bryman 2012, Coffey 2014).

Table 4.2 – Documents analysed by case study and by main focused (administrative level and policy area)

		Case Study		
Document Category		*Edinburgh*	*Cardiff*	*Newcastle*
Administrative level	UK National Government	0	0	3
	Devolved Government/Agencies	15	7	0
	Local Government/Agencies	9	7	7
Policy Area	Family and Children	3	3	0
	Economic Development	3	4	1
	Skills and Training	1	0	0
	Young People	2	1	0
	General	6	3	2
	Employment and Employability	7	0	2
	Poverty	1	1	2
	Health	0	1	0
	Housing	1	0	2
	Communities	0	1	1
Total		24	14	10

Document analysis in this thesis focuses on the content of the documents, including omissions, rather than the process and context of production (Coffey 2014, Rapley 2007, Robson 1993). The number of documents collected and analysed in Edinburgh was greater than in the other two case studies. The intensive and extensive data collection and analysis in the Edinburgh case study facilitated the consolidation and formulation of theoretical propositions and the development of themes for the document analysis

in the second case study. Newcastle was influenced by the two previous case studies. The sequential and iterative research process, similar to the one used in other qualitative studies (Jacobson, 2003), allows the sharpening and dialectical revision of the research approach and the theoretical lens. In the table above some of the case studies do not contain documents in some of the document categories. This is for two reasons: first, documents for some categories did not exist for some case studies; second, some of the documents were unavailable or the author was unable to obtain them.

Thematic Analysis

Rasmussen et al. (2012) state that there is not a prescribed way that must be followed when conducting document analysis. Qualitative thematic analysis applied within a critical realist approach is the method selected as the most appropriate to meet the research aim (Schilling, 2006). Thematic analysis is described as *"a method for identifying, analysing, and reporting patterns (themes) within data"* (Braun & Clarke 2006, p.6). A theme *"captures something important about the data in relation to the research question"* (Braun & Clarke 2006, p.10). Narrative, conversation, discourse, or content analyses are considered unfitting to the research objectives, due to their analytical focus: the first one explores the structure of individual's stories or experiences of particular events; conversation analysis explores dynamics of interactions; discourse analysis generally aims to track the historical development of ideas or themes (Grbich, 2007); and content analysis, although similar to thematic analysis, often focuses on frequency counts and quantitative analysis of qualitative data (Braun & Clarke 2006, Kassarjian 1977, Wilkinson 2000) although this is not always the case (e.g. Kracauer 1952, Schilling 2006).

In this thesis a hybrid approach to the identification of themes (Fereday & Muir-Cochrane, 2006) that includes both inductive and theoretical identification (Boyatzis 1998, Braun & Clarke 2006) is used. The first step in the coding process was to develop broad themes and, through consideration of the research questions, seven such themes were identified. The second step involved reading through each document and identifying instances that pertained to one of the seven broad themes, and coding the text as one or more subtheme. There were constant iterations between the data and emerging subthemes to ensure soundness of fit (Roberts & Pettigrew, 2007). Themes

were pre-established by the research interest, while subthemes were identified by inductive analysis. The approach to document analysis is the existence of themes, not their frequency, and no weight is given to them. Braun and Clarke (2006) consider that there is no right or wrong method for determining prevalence. The themes and questions guiding the thematic analysis of documents are shown in Table 4.3 below.

Table 4.3 – Themes and questions guiding thematic document analysis

Theme	*Questions*
1. Multi-dimensional coordination	Does the policy strategy involve coordination within employability? Does the employability strategy involve coordination with other policy areas? Which policy areas are coordinated? Which are not coordinated?
2. Multi-actor coordination	Which actors are coordinated? Which ones are not?
3. Multi-level coordination	Which administrative levels are coordinated? Which ones are not?
4. Coordination structures	Which structures exist to facilitate coordination to occur or which structures are discussed?
5. Rationale for coordination	How is coordination justified?
6. Barriers to coordination	What are the barriers to coordination?
7. Facilitators of coordination	What are the facilitators of coordination?

A thematic matrix was used in the process and was the outcome, of the document analysis. The matrix provides accessibility to, and visibility of, all subthemes and documents. Documents were explored for the presence or absence (Rapley, 2007) of the seven analytic themes which guided the analysis. The documents were read and subthemes identified under each of the themes that were keyed into the matrix. Thereafter, word-searches were conducted in order to ensure that all references to coordination, and related words/concepts, had been identified during the coding process. This added reliability to the document analysis. The level of analysis performed was semantic, so the interest was *"explicit or surface meanings of the data"* rather than examining in an already-theorised way *"the underlying ideas, assumptions, and conceptualisations – and ideologies"* which would be latent analysis and would have been closer to a constructionist approach (Braun & Clarke 2006, p.13).

The documents analysed in this thesis encompass some of the limits mentioned in the literature: first, they have been produced with a purpose that does not necessarily match the researcher's purposes; and second, the documents are an 'official'

representation of reality (Corbetta, 2003). With regards to the first limitation, thematic analysis focuses attention on what is of interest for the thesis and the range of documents aims to increase the chance of finding relevant material. Concerning the second limitation, documents are used to understand the institutional context where the events of interest take place, especially the official guidelines, and structures that are in place. However, since documents have a specific official purpose, this analysis is complemented with interviews from those implementing or developing policy.

4.3.3 – Semi-structured Interviews

Interviewing is a method of data collection. Qualitative interviews are a suitable research method for seeking facts and interpretations of processes that take place. While observation can capture coordination processes, gathering data by that method would require an intensive investment of time, perhaps a reduction in the units of analysis, and probably a change in the thesis objectives. Further, observation would not be able to capture actors' interpretations of these processes. Documents too can capture processes whilst often proving inadequate at providing actors' interpretations.

The interviews conducted were semi-structured interviews, and were chosen over structured and unstructured interviews for the following reasons (Bryman 2012, Robson 1993):

- The interview schedule had a pre-set order and number of questions, and helped ensure that the interview was kept focused on the research interests. However, depending on the main competence of the participant, the emphasis of the interview could be placed on some of the pre-set questions rather than others. This was necessary as participants' competences were different.
- Clarification and exploration of some themes was possible, and participants could elaborate depending on what they thought was important. Therefore, the view of the interviewee is more present than in structured interviews.
- Open-ended questions elicit a free reply from participants allowing them to respond in their own terms. This also allows exploration of participants' backgrounds and rationale and, as a result, there is less potential for

misinterpretation by the interviewee and by the researcher on the questions and answers respectively.

The interview sample, procedure, and analytical strategy are discussed next.

Interview Sample

Sampling of participants in this research was mainly purposive (Miles & Huberman 1994, Sarantakos 2013) with some limited snowballing. Three criteria employed in the purposive selection of participants were:

- Actors' main competence: the aim was to recruit participants involved in policy development, policy implementation, or policy influencers within the field of labour policy. Potential participants approached could display one or more of these competences.
- Actors' level of operation: the aim was to recruit actors operating at a variety of administrative levels. The administrative levels of interest were national, devolved, and local.
- Actors' policy area: the aim was to recruit participants involved in labour market policy primarily, but also actors involved in other policy areas. The areas of interest were childcare, health, skills and education, housing and economic development.

The aim of purposive sampling was to achieve a sample that covered each of these criteria to ensure an adequate balance of participants in order to address the research questions. Due to the size of the organisational field, it was apparent that not all actors (entities) could be interviewed. Accordingly, the focus would be on those actors that were more prominent in terms of their influence on policy development, implementation, or expertise. Document analysis and the literature review were used to map actors in the field. In a small number of instances, the snowballing sampling technique was used: participants were asked to suggest relevant actors for our research in any of the cities of interest. Although most actors suggested had already been invited to participate, a few were novel. Some actors in the three case studies were selected to afford comparability. On a few occasions, access to some organisations or identification

of certain actors proved difficult. Most people approached agreed to take part in the research, with nine people declining to participate.

One aim was to conduct elite interviews with senior members of staff, such as chief executives or heads of departments, in each organisation (Tansey, 2007). The initial target figure of fifteen to twenty interviews per case study was in line with similar qualitative research, proven to be achievable due to the response rate and suitable in term of data collected for the aim of this thesis. Initial contact was via email, followed up by a phone call if there had been no response within a fortnight. Sampling can lead to bias, in terms of which actors are approached to take part in the study and which actors accept the invitation to participate. A relatively high number of participants and high participation rate reduces the risks of sample bias. The majority of individuals approached agreed to take part in the research project. A total of 66 individuals from 52 organisations participated in the research. All the organisations participating in the research agreed to be named in the LOCALISE project and in the thesis. The number and names of participant organisations by case study are shown in Table 4.4 below. Due to the anonymity agreement, references to interview-data and quotations from the interviews consist only of an identifier indicating the organisation's sector (public, private, or third). The table provides a picture of which areas are important to each sector.

Interviews were conducted from April 2012 to January 2013: the Edinburgh case study was conducted from April to August 2012; Cardiff was conducted from October to December 2012; and Newcastle was conducted from October 2012 to January 2013. As the author was familiar with the setting and actors there, it was considered appropriate to select Edinburgh as the first case study. Conducting the interviews in each case study at different points in time might introduce variation between cases studies as a result of relevant events taking place in-between data collection points. This limitation was considered, however, overlapping case study interviews was impractical. Nonetheless, major changes that might have shaped labour market policy coordination did not seem to occur during the fieldwork.

Table 4.4 – Organisations participating in the interviews

*Identifier**	*Organisation Type*	*Edinburgh*	*Cardiff*	*Newcastle*	*Total*
Public sector organisation	National Devolved Government	Scottish Government	Welsh Local Government Association		2
	Local Government Departments	Economic Development Department; Working for Families	Adult Services; Families First; Education Department; Local Training and Enterprise Training	Employability and Children Services; Economic Development; Adult Learning; Housing and Welfare	10
	Public Employment Service	Jobcentre Plus Scotland	Jobcentre Plus Wales Group	Jobcentre Plus	3
	Regional and Local Agencies	Skills Development Scotland; Capital City Partnership	Sector Skills Council for land-based and environmental industries	Newcastle Futures; Your Homes Newcastle; Skills Funding Agency	6
	Public sector organisations	Stevenson College	Trades Union Council Wales	Trades Union Council; Newcastle City Learning	4
Private sector organisation	Private sector providers	Ingeus; Working Links	Working Links; Rehab Jobfit	New Skills Consulting; Avanta	6
	Private sector organisations	East Scotland European Partnership Ltd	Federation of Small Businesses	North East Local Enterprise Partnership; Federation of Small Businesses; North East Chambers of Commerce	5
Third sector organisation	Third sector providers	Women Onto Work; Wise Group; Princes Trust	People Can; Huggard; The Mentor Ring; Cardiff Mind	Wise Group; Cyrenians	9
	Third sector organisations	Poverty Alliance; One Parent Families Scotland; Scottish Urban Regeneration Forum	Children in Wales; Cardiff Third Sector Council	Voluntary Organisations Network North East; Newcastle Council for Voluntary Services	7
Total		16	17	19	52

*Note: *Identifier refers to the way participant organisations will be referred to throughout the thesis (for quotes and references in the text). All organisations gave consent to be named in the research, but quotes will not be attributed to preserve anonymity.*

Interview Procedure

Before the beginning of the interview, participants were made aware of the aim and the funder of the research, the activities to be conducted and their timescale, the use of the data and dissemination avenues, and the data storage and anonymity procedures. A consent form was presented to the participant, which they had to agree with and sign before the interview could proceed. Since the data collected was within the LOCALISE project, participants were asked if they also consented to the data being used in a doctoral thesis, to which they all agreed. Consent form are shown in Appendix 1. The consent form also sought participants' permission for the interview to be audio recorded. Permission was granted in all but four occasions (two in Edinburgh, one in Cardiff, and one in Newcastle).

Interviews were arranged at a time and place that suited the participant. Questions were carefully designed not to lead the interviewee, to be understandable and unambiguous, and to answer the research objectives (Bryman, 2012). The interview was set up in order to allow the interviewees to feel that their contribution was valued and important. Interviews were face-to-face, and lasted between 45 minutes and two hours. Longer and more in-depth interviews were conducted in the first case study, Edinburgh, which served to facilitate the consolidation and formulation of theoretical propositions and the development of themes for the analysis.

An interview schedule was developed based on the thesis research questions. The schedule clearly stated the information that needed to be collected, but permitted enough flexibility so that it could be adapted to each case study context and interview participant. The interview schedule followed a 'conventional' sequence, with an introduction, warm-up or ice breaking questions, main body of questions, cool-off conversation, and closure (Robson, 1993). The focus of the interview schedule was the determination of the existence or lack of coordination, with exploration of causes of coordination or its absence, and follow-up of coordination examples. The questionnaire was divided into two different sections which separated questions on policy development and policy implementation. Questions in each section were grouped into three areas: goals, actors, and instruments (see full interview schedule in Appendix 2).

The interview explored the existence of coordination during policy development and implementation between administrative levels, policy fields, and service providers. The interview schedule was first piloted with a contact of the author that held an official role in the Scottish Government, and subsequently the first four interviews in Edinburgh were treated as pilots. These interviews were transcribed and analysed to ascertain that the interview schedule, the process, and the operationalisation of concepts were capturing the necessary information to answer the research questions. Following these interviews, modifications to the wording and order of questions ensued. The first pilot interview is not included in the analysis. Furthermore, the longer and more in-depth nature of the interviews in Edinburgh helped to sharpen and focus the interviews in the subsequent case studies.

The topics included in the interview schedule are presented in Table 4.5 below. The focus is labour market policy for the long-term unemployed.

Table 4.5 – Interview schedule topics

Theme	*Areas*
Policy strategy	Instruments; Actors; Goals
Policy development	Structures; Actors
Policy implementation	Structures; Actors
Multi-level coordination Multi-dimensional coordination Multi-stakeholder coordination	• Type of coordination • How and why does coordination occur • How is coordination maintained • Opinions on coordination
Barriers to coordination	• Specific barriers to coordination • Reasons for the lack of coordination
Facilitators to coordination	• Specific facilitators to coordination • Reasons for the existence of coordination
Organisation's role	• Influence on policy development • Influence on policy implementation • Participation in coordination

A total of five interviews in Cardiff and six interviews in Newcastle were carried out by two researchers other than the author of this thesis. These interviews have been included in the thesis. This is because data collection in this research was part of a European Commission FP7 research project (LOCALISE), which, due to the scale of the project, included a team of researchers employed by the Employment Research Institute

at Edinburgh Napier University. Before the two researchers conducted interviews on their own, they shadowed the author of the thesis. The number of interviews conducted allowed the researchers to become familiar with the interview schedule and the process. Following the period of shadowing, the two researchers conducted a few interviews under the supervision of the author of the thesis. The author of the thesis examined the interviews by the two researchers to ensure that the data collected met quality and project requirements.

Data Analysis

The 48 recorded interviews were transcribed. Verbatim transcription of interviews was necessary in order to conduct thematic analysis, as well as facilitating familiarity with the data (Braun and Clarke, 2006). In a number of cases, transcriptions of the interviews were conducted before other interviews took place. The interviews were transcribed by professional trained research members employed at the Edinburgh Napier University and by professional transcribers. The author of the thesis compared the transcriptions produced with the audio recording.

Thematic analysis is the strategy employed to analyse the interviews and it aims to report *"experiences, meanings, and the reality of interview participants"* (Braun & Clarke 2006, p.9). Within a critical realistic ontology and epistemology, this method focuses on reflecting but also unravelling reality, while acknowledging that individuals make meaning of their experiences that are at the same time impacted by the context (Braun & Clarke, 2006). Thematic analysis is underpinned by data coding, which is the process of categorising, conceptualising, and bringing together data (Flick, 2006) according to themes, ideas, terms, or keywords (Taylor & Gibbs, 2010). In this thesis, the thematic analysis provides a detailed account of a group of themes in the data (Braun & Clarke, 2006). The process followed both a theory-led and an inductive approach (Fereday & Muir-Cochrane, 2016). A number of broad themes were based on the research interest and framework.

Each interview was read and instances that pertained to one of the broad themes were identified and the text was coded in one or more codes following a hierarchical (tree coding) approach in which sub-codes are examples of context or causes of their parent codes. Where necessary, prior or following text were also coded together so as to not

lose the context (Braun & Clarke, 2006). Text was often in two or more codes for contextual reason or because it included more than one theme. Nevertheless, the code's topic was always reflected in the code's name. Themes were pre-established by the research interest (theory led), while codes were identified by inductive analysis. This results in a more detailed analysis of some aspects of the data and uses abduction to make theoretical conclusions (Braun & Clarke, 2006). To ensure that the coding was consistent, constant comparison (e.g. comparing each item coded with all the other items already coded) was performed.

Scholars have highlighted the need to become acquainted with the data before the coding process starts (Braun & Clarke, 2006). Because the data used was collected and analysed as part of the LOCALISE project before being reanalysed for this thesis, there was considerable familiarity with the data prior to coding in this case. NVivo 10 and 11, a software package for the analysis of qualitative data, was used as the tool to support thematic analysis. After the first coding of the interviews, a second round of coding was conducted. This was necessary to ascertain the internal homogeneity and external heterogeneity of the coding, i.e. that the coding was not too diverse or similar respectively (Braun & Clarke, 2006). In this thesis, findings from the interviews will be reported without using conventions such as some, many, most, few, as these could be seen to quantify the number of participants that mention various issues (Braun & Clarke, 2006), and could lead to these issues being graded in terms of importance, which is not the objective of this thesis. Only when one participant mentioned an issue this can be discerned in the narrative.

To sum up, the documents used in this thesis are policy, strategic, and evaluation documents from government bodies or other actors involved in policy development which either pertain to the administrative level or policy area of interest. The aim is to understand the institutional context and structures of coordination through a hybrid thematic analysis approach. Mostly purposive sampling was used to source participant organisations. The data was analysed using a hybrid thematic approach supported by NVivo 10 and NVivo 11. Each case study is presented in one chapter, whose structure follows the research schedule.

4.4 – Research Quality and Ethics

In this section, established guidelines used to achieve research that is of quality and that meets ethical requirements are presented. The main questions explored are: How is research quality achieved in this thesis? What are the ethical guidelines that have been followed? These are considered in turn in the two subsections that follow.

4.4.1 – Research Quality

Research has to meet certain tests of quality: internal validity or credibility, external validity or transferability, construct validity, and reliability or dependability. Each of these and the methods used to achieve them in this thesis are described next.

Internal validity is achieved when the findings can be sustained by the data (Cohen et al. 2000). There are multiple ways to achieve internal validity in qualitative research (Creswell, 2013). In this thesis, internal validity is sought via participants checking on the researcher's interpretation and findings (Miles & Huberman, 1994). Each participant was sent the draft case study report for their city and was asked to comment on it, to send feedback, and to suggest clarifications. Collecting data on the same object of research through document analysis and semi-structured interviews adds to the robustness of the findings (Kitchener, 2002). Care was also taken to interview a wide range of actors within each case study to account for different opinions and experiences, and provide a holistic picture of the situation in each case (Kitchener, 2002).

External validity or transferability refers to the generalisability of results to the wider population. The aim of qualitative research is seldom generalisation and case study has, by its nature, low (statistical) representativeness. Therefore, it has been argued that this criterion is often irrelevant (Cohen et al. 2000). However, there are ways to achieve external validity in qualitative research. Rich descriptions, multiple-case study design, and the development of a theoretical framework are used in this thesis to achieve external validity. Holistic multiple-case study design has been characterised as being more robust than a single-case design and conclusions coming from the former as more powerful compared to conclusions from the latter (Yin, 2009). However, one of the common challenges in this type of case study design is the fact that the aim of the case study can shift from one case to the others (Yin, 2009). The iterative mode of analysis in this thesis meant that each case study replicates the others on the focus of the enquiry.

The development of a theoretical framework in this thesis is the vehicle for generalisation to new cases.

Construct validity indicates *"the extent to which an instrument measures what it purports to measure"* (Kassarjian 1977, p.15). In other words, the adequate operationalisation of concepts, questions, and propositions in order to be able to measure them according to the objective of the research. In this thesis, the interviews served to ascertain that the categories used in the research were meaningful to the participants (Cohen et al. 2000).

Reliability or dependability refers to the possibility of replication of the findings if the same method and sample are used (Cohen et al. 2000). Reliability in this thesis is achieved through the documentation of procedures and methods (Creswell 2014, Kassarjian 1977, Kolbe & Burnett 1991). One of the main limitations of interviews is the danger of unreliability (Robson, 1993) due to both researcher's bias and interviewee's interpretation of the questions, and consistency of reply. This challenge has been ameliorated by seeking the agreement of the participants to the researcher's interpretation and research findings. The systematic codification of documents and interviews also adds to the reliability of the analysis.

4.4.2 – Research Ethics

Research ethics have been established in order to protect the dignity, privacy and safety of the research participants, the public, and the researcher. Ethics are encountered at every point in the research process: prior, during, and after the process of research (Creswell, 2013). This thesis follows ethical research practice and ensures that the research is of high quality, maintains the reputation of the sector, the viability of research, and permits compliance with legislation and codes of conduct (Economic and Social Research Council 2015, Respect 2004, Social Research Association 2003).

This thesis is guided by the Social Research Association (2003) ethical guidelines and by Edinburgh Napier University's 'Code of Practice on Research Ethics' (Edinburgh Napier University, 2013). The Code of Practice's guarantees relate to those identified in the literature as ethical research. The main principles or codes of ethics followed in this thesis are: informed consent, voluntary participation, doing no harm, protection of

participants, assessment or potential benefits and risks to participants (Silverman, 2010), worthiness of the project, research integrity and quality (Miles & Huberman, 1994). These are discussed next.

The author of this thesis has carefully considered the relevance and interest of the research for society, participants, and the academic community. Coordination of policies has been said to contribute to better policy results in terms of efficacy and efficiency. This thesis elucidates the causes of coordination in activation policy. As such, it contributes to the policy debate and has the opportunity to contribute to policy practices through policy recommendations. It also contributes to the academic debate on the subject through theoretical propositions.

The author upheld the scientific standards of quality and integrity as an ethical requirement (Miles & Huberman, 1994) at all times, by following established guidelines and quality criteria in social research. Participants were fully informed of the research objectives and design, data management, data usage, and dissemination plans. Participants were also made aware that they had the option to end the interview and retrieve all data at any point. As the participants were all professionals, their vulnerability in the traditional sense was not an issue. However, because some of the information they provided might be considered sensitive, confidentiality and anonymity had to be upheld in order to protect participants at both professional and personal levels. Although confidentiality was assured to participants, they were also advised that they could request that audio recording be ceased or paused. Participants were given a consent form which both they and the researcher signed before the interview began. The voluntary nature of participation was clearly stated in the information sheet and consent form (see Appendix 1) and there was no direct or indirect coercion.

Data handling is informed by the Social Research Association (2013) guidelines based on the Data Protection Act 1998. All identifiable data is stored in the author's work computer to which access is restricted by a password. The files too are password-protected. Once the thesis is concluded, only anonymised data will be kept by the author: recordings and non-anonymised transcriptions will be destroyed.

4.5 – Summary

Critical realism—the chosen ontology and epistemology in this thesis—acknowledges the existence of independent structures/entities, and of subjective knowledge that socially construes the world. It offers the prospect of the transformation of reality to improve human condition. For critical realists, reality is 'multiply determined' with multiple causes, no single mechanism determining it, and with dependent relations and context crucial to the research. The most fundamental objectives of critical realism are finding causal explanations and clarifying the generative mechanisms in a situation. This is particularly adequate to the thesis' main objective, which is to develop a framework that might help to better achieve coordination by identifying the causal mechanisms that facilitate or hinder coordination. Due to the context-dependency of the object of research and to the rich data needed, qualitative methodology is better-suited to this thesis.

In critical realism, causality is established through continuous cycles of data collection, reflection, and dialogue between the data and the theory. The research process combines abduction and retroduction; the latter requires comparative analysis over time or across cases and commitment to theoretical pluralism. As a result, multiple case study has been chosen as the research strategy. The focus of the case study is the meso-level and the unit of analysis is organisations within an organisational field. Case study relies on multiple lines of enquiry and is particular apt for research involving complex research questions, substantial numbers of variables of interest, that is and theoretically-led. The research methods used are document analysis—to investigate policy approaches and strategies to coordination, and to map actors in the local policy landscape—and semi-structured interviews—to seek facts and interpretations of processes that take place. Individual case studies will be analysed descriptively to identify causal mechanisms for the existence or absence of the event, and explanation-building will be used in the cross-case comparative analysis.

This thesis emerged from LOCALISE, a European funded research project. Case selection in LOCALISE was based on four criteria: population size, area classification (urban/rural), economic and labour market indicators, and administrative status within Great Britain. Data collection was conducted as part of the LOCALISE project, but went beyond that

required by the project. A number of the interviews and some of the transcriptions were carried out by other researchers than the author of this thesis. However, the author ensured quality standards on those occasions. Forty-eight documents were selected according to two criteria: administrative level and policy area. Fifty-two organisations selected via mainly purposive sampling according to three criteria: organisation's main competence, level of operation, and policy area. A hybrid thematic analysis approach was used for the documents and the interviews, with the support of a thematic matrix for document analysis and NVivo 10 for the coding of interview data. The thesis meets internal, external, and construct validity, and reliability standards. It follows ethical research practice and ensures that the research is of high quality, maintains the reputation of the sector, the viability of research, and permits compliance with legislation and codes of conduct. In the next four chapters, findings from the documents and interviews are presented. In the next chapter, the policy context in England, Scotland, and Wales is investigated.

Chapter 5. Policy Context in the three Countries

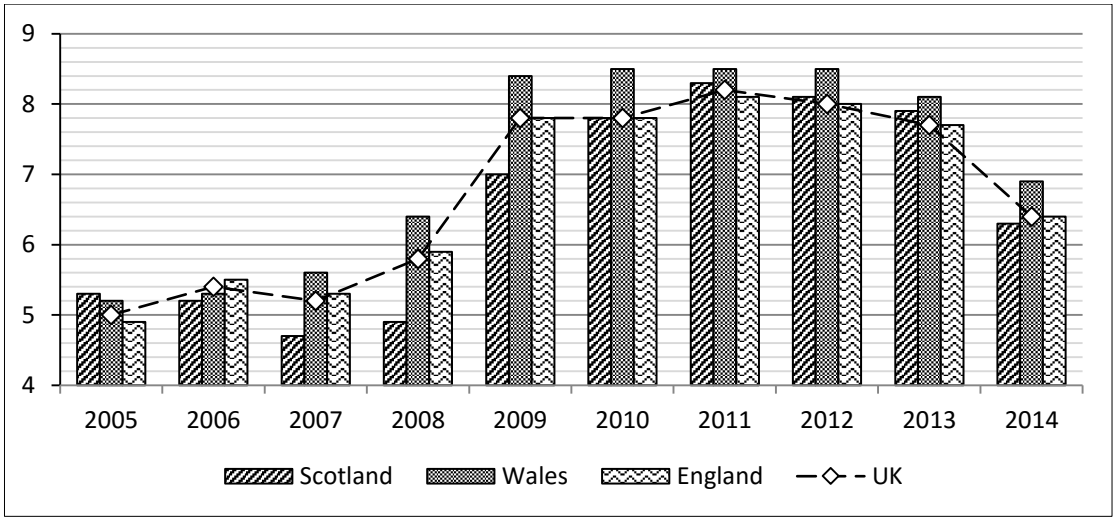
In this chapter, the governance of labour market policy and the administrative relations of the national, devolved, and local government in the three case studies is presented. In order to analyse the level and type of coordination in labour market policies (Chapters 6 to 9), it is important to understand the national policy context in which local governments operate. The following data is based on document analysis and interview data. The main questions guiding the chapter are: What is the goal of labour market policy and what processes exist to implement it in England, Scotland, and Wales? How are relations between local and national governments in the three case studies regulated?

The chapter is structured into four sections: the labour market policy context and administrative relations in England is presented first, followed by a portrayal of the policy landscape in Scotland, and a depiction of the situation in Wales. The chapter ends with a summary section that highlights most factors relevant to the thesis' aims and to subsequent chapters.

5.1 – The UK Labour Market

Labour market policy aims at tackling and preventing unemployment and dealing with some of its consequences (see Chapter 2 Section 2.2). The national strategy, the state and institutional structures, and the national processes with regards to unemployment will impact on local vertical and horizontal coordination and will establish local veto power spaces (see Chapter 2 Section 2.4). The economic situation of a country can affect the type of labour market policies implemented, as mentioned in Chapter 2 Section 2.1.2. In 2012, when the interviews and document analysis were conducted, the economic situation in the UK was still influenced by the effects of the 2008 economic crisis. In 2008, the unemployment rate rose sharply in the UK, including in Scotland, Wales, and England (see Figure 5.1). According to figures from the Office for National Statistics, individuals in younger age groups were more affected by unemployment, while older age groups were affected in greater measure by long-term unemployment (see Chapter 2 Section 2.1.1).

Figure 5.1 – Unemployment rate amongst those aged 16-64 in England, Scotland, and Wales (2005-2014)



Source: NOMIS (n.d.) Annual Population Survey.

The governance of labour market policy, or including its goals and processes, will inevitably influence policy outcomes (see Chapter 2 Section 2.3). Labour market policy has been transformed during the economic crisis. While many changes to social policies were incipient before the crisis, some others have been the result of austerity measures (Heyes, 2013), including the speed of introduction, reach, and intensity of the activation paradigm (see Chapter 2 Section 2.2.2). The policy context in England, Scotland, and Wales is explored next.

5.2 – Policy Context in England

In this section, the governance of labour market policy, the relationship between the national and local government, and the local economy in England are described. Labour market policy in Great Britain is a matter reserved to the UK government and, as the literature review demonstrated, is centralised (see Chapter 2 Section 2.2). Accordingly, the policy context presented in this section, although focused on England, also applies to Scotland and Wales. How national policy operates in Scotland and Wales will be described in turn in sections 5.3 and 5.4, alongside specific devolved policies and institutions.

5.2.1 – Labour Market Policy in England

The Department for Work and Pensions is responsible for welfare and pension policy. In concert with the cabinet, it develops national activation programmes (employment services) targeted at people receiving income protection (income transfers). Policy is implemented through Jobcentre Plus and through external service providers. The former was under the direct control of, and the latter directly accountable to, the Department for Work and Pensions. Jobcentre Plus is the Public Employment Service responsible for providing income transfers and for the delivery of some employment services. It is organised via districts and has a network of 740 jobcentres throughout the UK (National Audit Office, 2013). Through a tendering process, the Department for Work and Pensions purchased other employment services from external public, private, and third sector organisations. There are 18 national labour market programmes referred to as 'Get Britain Working' measures (Department for Work and Pensions, 2012d), which vary in the support offered and the group targeted (see Table 5.1 below). All the programmes contain supply-side initiatives while three of these also include demand-side measures (see Chapter 2 Section 2.2.1). The most common support provided by the government is work-experience placements, followed by job-brokering and advice-mentoring, and training. Most of these initiatives can be characterised as activation (see Chapter 2 Section 2.2.2).

There are relations between the national government, the Scottish Government, and Welsh Assembly in this policy area. However, since labour market policy is not a devolved matter, the influence of sub-national governments is limited. There is communication between various providers of employment services (national remit) and employability providers (devolved national governments and local governments). Social partners, such as industry and third sector groups, employer federations, trade unions and third sector and private providers have relations with all administrative levels in order to influence government and/or provide public services. Labour market policy in Great Britain can be characterised as centralised localism (Lindsay & McQuaid, 2008) and, since the 1970s, the governance mode has been most akin to new public management (see Chapter 2 Section 2.3.1). However, there are different governance approaches for different active labour market policies and various types of governance within the new public management type (Ehrler, 2012).

Table 5.1 – Great Britain labour market programmes by target group and support

Initiative	*Target Group*	*Support*											
		1	2	3	4	5	6	7	8	9	10	11	12
Jobcentre Plus	All pre-Work Programme	√											
Youth contract	18-24 year-olds			√	√	√				√		√	
Support for NEET	16-17 year-olds			√	√		√						
Sector-based Work Academies	All jobseekers			√		√		√					
Work Trials	All jobseekers					√							
Work experience	16-24 year-olds					√							
Employment on Trial	All jobseekers					√							
Skills training													
Skills conditionality	JSA or ESA-WRAG			√									
Mandatory Work Activity	JSA					√							
Work Together									√				
Work Clubs	18 plus pre-Work Programme	√	√										
Enterprise Clubs	All jobseekers	√	√										
New Enterprise Allowance	All jobseekers	√											√
Access to Work	Disabled (in- or out-work)											√	√
Work Choice	Disabled	√									√	√	
Residential Training Colleges	Disabled			√									
Work Programme	Long-term unemployed	Black-box approach											

Source: Author, based on Department for Work and Pensions (2012).

Note: Data in the table results from the document analysis, and does not preclude the possibility that providers could be offering additional support per initiative. It might also be the case that the wording used in documents fails to fully describe the support provided. Accordingly, the classifications employed in the table might be limited in scope.

Support caption: 1=Job broker/advice; 2=Networking; 3=Training/skills; 4=Apprenticeship; 5=Work experience placement; 6=Employment with training; 7=Guaranteed interview; 8=Volunteering; 9=In-work support; 10=Wage subsidies; 11=Incentive payments to employers; 12=Financial incentive to individuals.

Target group caption: JSA = Jobseekers' Allowance; ESA-WRAG = Employment and Support Allowance-Work Related Activity Group; NEET = not in employment, education or training.

Ehrler's (2012) categorisation is based on three dimensions: steering by contracts; discretion at the operational level; and performance measurement systems. Depending on how organisations score against these dimensions (either low, medium, high discretion at the operational level, etc.), their governance will be categorised as one of the following types: business, centralised, self-governing, procedural new public management.

Following Ehrler's (2012) typology, active labour market policies delivered by Jobcentre Plus can be classified as 'procedural' new public management: since their services are not contracted-out there is low steering by contract, low levels of operational discretion, and high use of performance measurement systems. If Jobcentre Plus' levels of operational discretion were to increase, as has been hinted by some public sector participants, the governance of active labour market policies delivered by them could be characterised as 'self-governing' new public management. The governance of active labour market policies delivered by external providers through Department for Work and Pensions contracts can be characterised as 'centralised' new public management: since steering by contracts and performance measurement systems are prevalent and operational discretion is low. However, the Work Programme, which is the main labour market policy for the long-term unemployed (see Chapter 2 Section 2.2.3), exhibits a novel governance approach. The black-box delivery model grants primes total discretion in operational matters and has meant that the Work Programme displays a 'business' type of new public management governance. This is characterised by high steering by contracts, high performance measurement systems, and high operational discretion (Fuertes & McQuaid, 2013b). The relation between this national policy and the local government in England, with a focus on Newcastle, is explored next.

5.2.2 – Local Government Relations in England

The relation between central and local government in England was established in the Local Government Act 2000 (UK Government, 2000). Although local government has never regained the level of responsibilities it lost in the 1980s, since the 2008 crisis, central government has recognised its role in tackling unemployment (Green & Orton, 2012). Local Authorities in England and the national government agreed to Local Area Agreements, which were the basis for a three-year delivery strategy setting out priority

improvement targets (Advice Service Alliance, 2008). Local Area Agreements were introduced in 2004 to improve the relations between both levels of government (Centre for Local Economic Strategies, 2011), and to devolve greater power to the local level (National Audit Office, 2007). These were abolished in 2010 (Kaffash, 2010) and details of current arrangements are not clear. Regional Development Agencies created in 1998 in order to develop a regional economic strategy were abolished in 2010 and ceased to operate in 2012, as part of the Coalition Government's (2010-2015) restructuring of government and public bodies (Department for Business Innovation and Skills 2012, The National Archives n.d.). According to one public sector participant, and to the document analysis, the Regional Development Agency used to have the strategic goal of creating growth in the region. Participants from both the public and private sector opined that it facilitated greater coordination between national, regional and local agencies, and that it could influence the policy planning and expenditure of organisations such as the Department for Work and Pensions, the Skills Funding Agency, the Local Skills Council, and the Local Authorities. Even though the Regional Development Agencies were not perfect, there is now a lack of regional labour market strategy and there seems to be reduced connectivity between national and local actions. According to one public sector participant in the Newcastle case study, each partner brought something to the table, so the commitment of resources benefited local authorities, and is now missed.

Local Enterprise Partnerships were created in 2011 and bring businesses together with a number of local authorities to decide priorities for investment (Department for Business Innovation and Skills, 2010). In the North East, two Local Enterprise Partnerships were created: the Tees Valley Local Enterprise Partnership that comprises five local authorities, and the North East Local Enterprise Partnership that encompasses the other seven local authorities in the region (LEP Network, no date). According to one private sector participant, the Local Enterprise Partnerships could become the avenue for communication and devolution between Newcastle and central government, filling the gap left by the loss of the Regional Development Agency. The North East Local Enterprise Partnership has been described as a small and strategic group, with a strong executive-oriented business-led board: *"a business-led strategic vehicle committed to promoting and developing real economic growth in the North East"* with a role to influence, but not to deliver or fund policy (North East Local Enterprise Partnership,

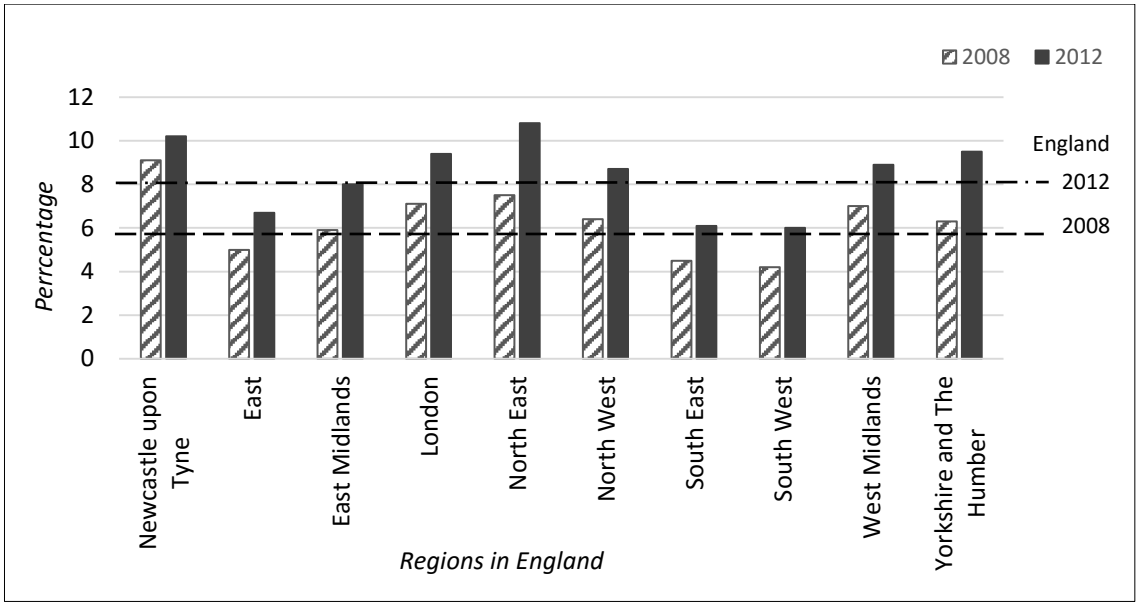
2013b). Business members of this executive board draw expertise from across the private sector in the region (North East Local Enterprise Partnership, 2014), and, according to one public sector participant, are responsible for particular themes. Another public sector participant stressed that the objective of the executive is to make sure that the Local Enterprise Partnership's top priorities—economic growth, employment productivity, and sector specialisation—can be met in the best possible way, given the resources available. However, criticism from some public and third sector participants included that the partnership does not yet include key actors such as the Skills Funding Agency, the Department for Work and Pensions, the public sector beyond local authorities in general, and the third sector.

5.2.3 – Local Economic situation in England

The North East, and the UK as a whole, has gone through important structural changes. According to a participant from the public sector in the Newcastle case study, the North East has not recovered from the de-industrialisation of the region (Duke et al., 2006). Industry was focussed mainly in coal mining, shipbuilding and heavy engineering, and steel production. Furthermore, the North East does not have a strong basis in current growth areas in the economy e.g. the service sector. On most performance measures, the North East lags behind the national average (Duke et al. 2006). According to one public sector participant, and supported by Duke et al. (2006), this is the result of a number of factors. Firstly, a lack of investment, and low skill levels. Secondly, geographic disadvantage, the lack of a transport strategy and the absence of investment. Thirdly, the growth in the financial and service sector in the area, as well as in the public sector, have involved jobs at the lower end of the market (Tomaney, 2006). The North East seems to be doing well in some fields, such as chemical processing, manufacturing, and sub-sea and automotive, but employment is vulnerable to rationalisation and transnational relocations (Tomaney, 2006).

At 10.2 percent, the unemployment rate in Newcastle in 2012 was one percentage point higher than in 2008, and 2.9 percentage points higher than in 2004. Due to the economic recession from 2008, increasing unemployment has been a common trend throughout the UK as a whole. However, unemployment level in Newcastle and the North East is higher compared to other English regions and to the average for England (Figure 5.2).

Figure 5.2 – Unemployment rate amongst those aged 16-64 in Newcastle and regions in England (2008 and 2012)



Source: NOMIS (n.d.) Annual Population Survey

Newcastle's economic inactivity rate for 2012 was 30.4 percent, which is 4.4 percentage points higher than the average for the North East region and 7.3 percentage points higher than the average for England; of those 20.3 percent wanted a job, compared to 24.8 in England. The corresponding employment rate in Newcastle was 62.5 percent, which was 3.5 percentage points lower than the average in the North East, and 8.3 percentage points lower than the average for England.

In 2012, Newcastle had a higher proportion of people with no qualifications compared to the North East and England. Nevertheless, it had 7.3 percentage points more people with NVQ4[12] and above than the North East, and a similar number compared to England. This is the result of two factors. Firstly, largely because of its three internationally ranked universities[13], Newcastle has a high number of students. Secondly, due to the economic growth in higher-skilled industries such as chemical processing, manufacturing, sub-sea, and automotive. In terms of benefit claimants, in 2012 the North East saw a higher or equal percentage of claimants in all categories. Newcastle and the North East had a higher number of people claiming key out-of-work benefits compared to England and Great Britain. There was a higher percentage of students in Newcastle in 2012 compared

[12] National Vocational Qualifications (NVQs) were work based awards in England, Wales and Northern Ireland that were achieved through assessment and training. NVQs ranged from Level 1, which focuses on basic work activities, to Level 5 for senior management.

[13] These three universities are: Durham University, Newcastle University, and Northumbria University at Newcastle.

to the North East and England. Newcastle in 2012 had a higher number of people employed in professional occupations (7.3 percentage points higher than in the North East, and just under four percentage points higher than in England), which is explained by the healthy nature of the economy in a number of high-skilled sectors.

To sum up, even though various national labour market policy programmes differ to some extent in their governance characteristics, all of them can be classified under the new public management, including the Work Programme. However, some of the differences might be responsible for making some programmes more prone to achieving vertical and horizontal coordination than others. National and local relations in England had been based on Local Area Agreements but, since their abolition, arrangements are unclear. When compared to other English regions, Newcastle and the North East's labour market situation seems to be worse in terms of unemployment and economic inactivity. The following section explores the policy and administrative context in Scotland.

5.3 – Policy Context in Scotland

The governance of labour market policy, the relationship between national and local governments, and the local economy in Scotland are described in this section. The Scottish Government originated as a result of the passage of the Scotland Act 1998 after the 1997 Referendum in Scotland. This was a referendum over the creation or not of a Scottish Parliament with devolved powers, and over the question of whether any such Parliament should have tax-varying powers (Taylor, 1997). However, since 1707 and, especially since 1885 when the Scottish Office was created as a department of the UK Government, there has been a form of administrative devolution in Scotland in a number of issues, such as justice, health, education (Scottish Government, 2016).

The Scottish Government is financed mainly by the UK Parliament using a Departmental Expenditure Limit (DEL)[14] on a three-year calculation over an inherited budget. The Scottish Government can raise Self-financed Expenditure through council taxes, non-

[14] There are two parts to the Total Managed Expenditure (TME): The Annual Managed Expenditure (AME) and the Departmental Expenditure Limits (DEL). The latter are the departmental budgets while the former is money spent in areas outside budgetary control (HM Treasury, 2013).

domestic rates (Scottish Government, 2011c), and can vary the income tax by up to three pence in the pound[15].

The UK Treasury can decide to adapt the Departmental Expenditure Limit as it pleases. Although, as mentioned above, labour market policy in Great Britain is a matter reserved to the UK Parliament, the Scottish Government has its own strategy for employment, and there are a number of policy areas devolved to the Scottish Government that are closely linked and relevant to the labour market.

5.3.1 –Labour Market Policy in Scotland

The Scottish Government has devolved responsibilities for a number of policy areas (Scottish Government, 2012e), of which the following are of particular interest to this thesis: skill and education, housing, health, and economic development. The Scottish National Performance Framework sets out the government's Purpose Targets, Strategic Objectives and National Outcomes, and the National Indicators and Targets to measure progress towards the purpose (Scottish Government, 2007b). One of the 15 National Outcomes specifically refers to the labour market: increasing employment opportunities. None of the 45 National Indicators refer directly to labour market policy, although one alludes to 'positive destinations' for school-leavers such as higher education, further education, training, voluntary work and employment (Scottish Government, 2007c) and another focuses on literacy and numeracy for the working-age population.

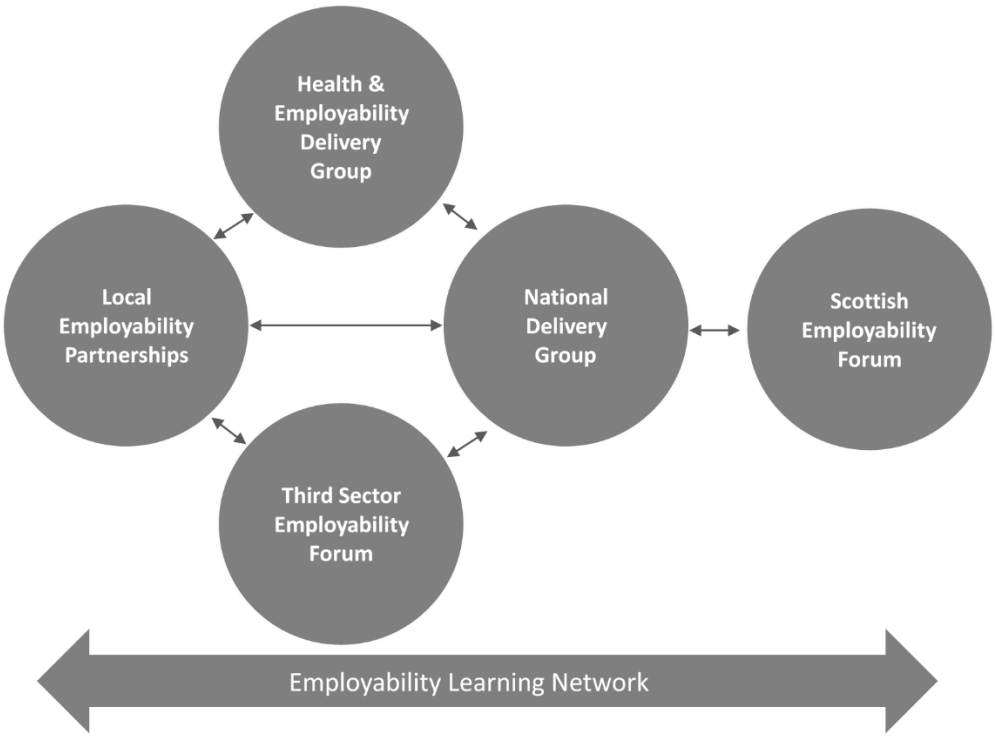
Even though labour market policy does not appear to be overly relevant in the National Performance Framework indicators, perhaps due to the fact that this policy area in not devolved, the Scottish Government produces an employability strategy for Scotland. Most likely, this is due to the importance of the labour market for other devolved policy areas. Scotland's employability framework, 'Workforce Plus', emphasises that work is a key factor in movements out of poverty. It stresses that successful delivery of the employability strategy depends on co-operation and partnership-working amongst agencies (Scottish Government, 2012f), and aligning services to help those further away from the labour market into employment (Scottish Government, 2008a). According to

[15] The Scottish Government from April 2016 can vary the income tax from a lower level of ten percentage points below the UK rate to no limit above it, and can fix land transaction and landfill taxes (Seely, 2015).

the strategy, the focus is not on new resources but on making existing resources work better through the development of strong and effective local partnerships made up of employability funders.

The Scottish Government has championed a pipeline strategy to employability and skills that has been named the Strategic Skills Pipeline model. This model developed by the Scottish Government is a framework to support the effective development and delivery of employability services locally (Scottish Government, 2012f). In order to support this objective, the Scottish Government set up a delivery infrastructure, called the Employability Learning Network, composed of a number of national stakeholder-led groups shown in Figure 5.3.

Figure 5.3 – Employability delivery infrastructure in Scotland



Source: Based on Employability in Scotland (2013)

The Employability Learning Network aims to make sharing of learning across all stakeholders and areas of employability possible (SCVO, 2013), and consists of five groups. First, the National Delivery Group was established in 2006 to enable local areas to focus on employability (Employability in Scotland 2014b, SCVO, 2013). Second, the Health and Employability Delivery Group was established in 2009 to create links between employability structures and health managers (Health and Employability

Delivery Group, 2012). Third, the Local Employability Partnerships bring local stakeholders together around employability (Employability in Scotland, 2014a). Fourth, the Third Sector Employability Forum was created in 2009 with the aim to develop the capacity of the third sector on employability policy development and delivery of services (Employability in Scotland, 2014d). Fifth, the Scottish Employability Forum aims *"to provide a single Forum where all parts of Government can come together, with key stakeholders and delivery bodies, in order to address unemployment within the context of economic recovery"* (Employability in Scotland, 2014c).

The aim of these groups, according to the Scottish Government, is to facilitate joint learning, capacity building opportunities, and identification of challenges to the delivery of employability services. The analysis of Scottish Government policy documents highlights a number of areas where there is an explicit link between labour market policy objectives and various other policy areas. These are outlined next:

- Economic Strategy: one of the priorities for delivering sustainable economic growth is 'Learning, Skills and Well-being', which is a key factor in labour market integration (Scottish Government, 2011d). The link between the economic strategy and economic development is stated in a number of official documents (Audit Scotland 2011, Scottish Government 2012e).

- Youth Strategy: the 'More Choices, More Chances' strategy aims to provide modern apprenticeships that have three components. These are: entry, sustainability and progression in the labour market (Scottish Government 2006, Scottish Government 2012e). The Scotland's Youth Employment Strategy was launched in 2014 by the Commission for Developing Scotland's Young Workforce, which was itself set up in 2013 (Scottish Government, 2014).

- Income Equality Strategy: 'Achieving our Potential' outlines a number of key actions to tackle income inequality and disadvantage. Some of these are: the strengthening of income maximisation work; launching a campaign to raise awareness of statutory workers' rights; and supporting people who find it hardest to get into jobs or use public services (Scottish Government, 2008a). Therefore, there is a link between poverty and employability (Scottish Government, 2011b).

- Children and Families Strategy: 'Achieving Our Potential' works alongside 'Equally Well' (Scottish Government, 2008b), the 'Early Years Framework' (Scottish Government, 2008d) and the 'Child Poverty Strategy' (Scottish Government, 2011a). They each highlight employment and employability as a key factor in achieving their strategic outcomes. One of the documents reviewed highlights the need to link childcare and employability (Scottish Government, 2011a).

- Skills Strategy: 'Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth' encourages the integration of employment and skills services with a view to *"promoting sustained employment and in work progression for individuals"* (Scottish Government 2010, p.17). The Scottish Funding Council and Skills Development Scotland are the two delivery agencies in Scotland. The latter delivers the devolved National Training Programme (e.g. Modern Apprenticeships, Training for Work, and Get Ready for Work) some of which were replaced by the Employability Fund in April 2013. Many of the documents confirm the importance of coordination between skills and employability (Scottish Government 2011b, Scottish Government 2012f), skills and business needs (Scottish Government 2007b, Scottish Government 2010, Scottish Government 2011a), and skills and economic performance (Scottish Government, 2011b).

Coordination between health and employability was cited in the Scottish Government's (2008d) 'Early Years Framework'. In only one government document was housing linked to employability. A number of official documents similarly emphasised the need for coordination between various service providers in the area of employability. Some of these documents (e.g. employability and poverty strategies, the role of community planning partnerships, and the Scottish National Reform Programmes) highlighted partnership or collaboration between the public and the third sector (Audit Scotland 2011, Scottish Government 2008a, Scottish Government 2011b, Scottish Government 2012f). Others, such as the spending review, the employability strategy, and the community planning document, highlighted collaboration between the public and private sector (Scottish Government 2007c, The Scottish Parliament 2012, Scottish Government 2012f). The employability strategy referred to the need for coordination

between national and devolved administrations in the area of employment (Scottish Government, 2012g).

It is expected, therefore, that as these policy areas, service providers, and administrative levels have been linked in strategic government documents, there will be a degree of coordination between them during policy implementation.

5.3.2 – Local Government Relations in Scotland

In Scotland, there are 32 local authorities. The Local Government in Scotland Act 2003 set out the statutory framework for Community Planning (UK Government, 2013), and the Concordat agreed in November 2007 set out the working relationship between the Scottish Government and local authorities (Scottish Government, 2007a): a relationship that emphasises partnership-working between these two levels of government (Scottish Government, 2007). This is based on three key tenets with regard to strategy, funding, and processes (Scottish Government, 2007a).

First, the 32 Community Planning Partnerships in Scotland are the main mechanisms through which local community planning in a number of policy areas is devolved (Scottish Government, 2008a). They act as an umbrella under which all public sector statutory agencies (the local authority, health board, fire, police, enterprise agency and transport partnership), alongside some other public, voluntary, community and private sector partners should be working (Scottish Government 2009, 2012a). The Single Outcome Agreement is implemented by Community Planning Partnerships and by councils. Council departments take the policy lead from the Single Outcome Agreement when developing their strategies.

Second, the Concordat contains the National Performance Framework, which aims to ensure that all local authorities and Community Planning Partnerships plan within a common framework, identify outcomes and targets that can advance local priorities, and evaluate the success of their delivery strategies (Scottish Government 2009, 2012a).

Third, a central element of the new relationship was the ending of local government funding ring-fencing such as the Fairer Scotland Fund. As well, there was the creation of Single Outcome Agreements between the Scottish Government and each Community Planning Partnership from 2009-10, as opposed to with each council as was the case

previously. Through this agreement, Community Planning Partnership agree the strategic priorities for their local area and express those priorities as outcomes to be delivered by the partners, either individually or jointly, while showing how those outcomes should contribute to the Scottish Government's National Outcomes (Scottish Government 2007, Scottish Government 2012c). Annual reporting arrangements to the Scottish Government and to the local community are established in the Single Outcome Agreements (Scottish Government, 2007). The move to an outcomes approach was a significant change in the way that public services are planned and delivered in Scotland (Improvement Service, 2012).

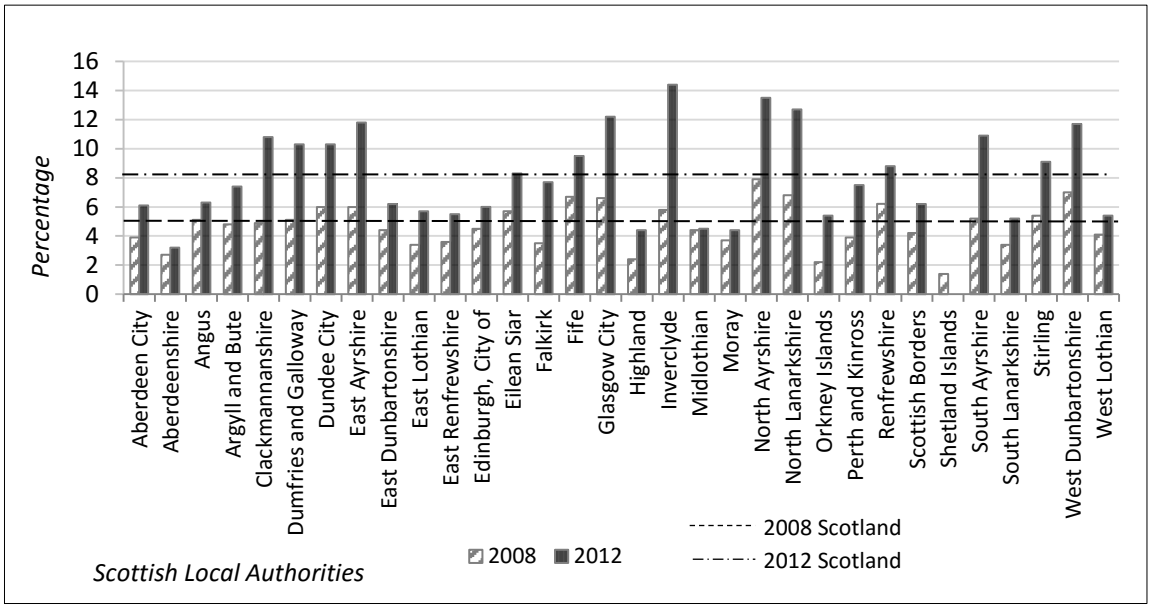
It could be argued that this local discretion in implementing national policy and the fact that national funding to local government is not ring-fenced, could encourage higher-level coordination across departments. This could be supported by the coordinating structures in place, such as Community Planning Partnerships. It was envisaged that by bringing different interests together and involving communities, Community Planning Partnerships could have an impact on the complex long standing issues in some areas, for example poverty and health inequalities, but also employment, which is the focus of this thesis. In fact, many of the official documents cited in this section consider that Community Planning Partnerships are central to the coordination of a number of policy areas, and others see these partnerships as central for employability issues (Audit Scotland 2011, Scottish Government 2007c, Scottish Government 2008a, Scottish Government 2010, Scottish Government 2011a, Scottish Government 2012f).

5.3.3 – Local Economic situation in Scotland

Scotland has fared similarly to the rest of the UK throughout the economic crisis from 2008. Although rates of unemployment in 2007 and 2008 were significantly lower in Scotland compared to the rest of the UK, the unemployment rate rose sharply in 2009 and remained higher than the UK rate and the England rate from 2010 until 2013 (see Figure 5.1). Within Scotland, local authorities have performed differently concerning unemployment (see Figure 5.4 below).

While all local authorities have experienced an increase in the unemployment rates from 2008 to 2012, in some local authorities such as Inverclyde the increase has been much greater than in other local authorities, for instance Midlothian.

Figure 5.4 – Unemployment rate amongst those aged 16-64 of Scottish local authorities (2008 and 2012)



Source: NOMIS (no date) Annual Population Survey

Edinburgh is one of the local authorities that has fared better, with an unemployment rate of six percent in 2012, being thus one of the ten local authorities with unemployment rates of six percent or under.

Edinburgh's unemployment rate is 2.1 percentage points lower than the Scottish rate and 4.2 lower than in Newcastle. The economic inactivity rate for 2012 in Edinburgh was 23.3 percent, which is 0.1 percentage points higher than the average for Scotland, and 7.1 lower than in Newcastle; of those, 14.2 percent wanted a job, compared to 25.6 percent in Scotland and 20.3 percent in Newcastle. In 2012, the employment rate in Edinburgh was 72.1 percent, which is 1.6 percentage points higher than the average in Scotland, and 9.6 percentage points higher than in Newcastle. Edinburgh has a lower percentage of people with no qualifications (5.6 percent), compared to Scotland (10.7 percent) and Newcastle (11.7 percent). The percentage of people with NVQ4+ qualifications is 55.4 percent, which is 17.2 percentage points above the average for Scotland and 21 percentage points higher than Newcastle.

In terms of benefit claimants, in 2012 Scotland had a higher percentage of claimants in all categories compared to England (15.9 and 13.8 respectively), including Jobseeker's Allowance with a claim rate of 3.7 percent in Scotland compared to 3.5 percent in England. Edinburgh, with three percent of people claiming Jobseeker's Allowance, was

1.8 percentage points lower than Newcastle. Edinburgh in 2012 had 31.1 percent of people employed in professional occupations (11.5 percentage points higher than in Scotland as a whole, and 7.7 percentage points higher than in Newcastle), and 1.9 percent in elementary occupations (compared to 11.2 percent in Scotland and 12.5 percent in Newcastle).

In summary, labour market policy is a reserved matter and, therefore, the Scottish Government does not hold responsibility over this are of policy. That said, even if indirectly, the Scottish Government implements policies that are related to, and interact with, the labour market and national policy. The relationship between the Scottish Government and local government is underpinned by the devolution of powers through the Community Planning Partnerships, and by the central oversight through the Single Outcome Agreements and direction via the National Performance Framework. It could be argued that the level of discretion and partnership structures, which is a quite different setup to that in England, could facilitate the development of coordinated policies that meet local requirements. The labour market situation in Scotland is similar to the situation in England with regards to unemployment. However, the labour market situation in Edinburgh compares favourably to other Scottish local authorities with regards to unemployment, and is better than the situation in Newcastle in terms of unemployment, economic inactivity rates, and Jobseeker's Allowance claiming rates. Cardiff's context is explored in the next section, and is contrasted to Edinburgh and Newcastle.

5.4 – Policy Context in Wales

In this section, the governance of labour market policy, the relationship between the national and local government, and the local economy in Wales are explored. There are two institutions for the government in Wales: the National Assembly for Wales and the Welsh Government. The National Assembly for Wales is equivalent to the UK parliament in Westminster (Welsh Government, 2011b). It was established as a legislature in 2011, it is composed of all-elected Assembly Members, and passes laws with primary legislative powers. The Welsh Government is constituted by the First Minister and other Ministers (Welsh Government, 2011b). It is supported by the civil services and develops policy, proposes laws, and implements policies on the areas devolved to the government

of Wales. The Welsh Government has political responsibilities, devolved by the UK government, for a number of areas including the following of particular interest to this thesis: skill and education, housing, health, and business and economy (Welsh Government, 2012e). The legislative powers are conferred and legally defined by legislative competences; this differs from the Scottish Government defined by a 'reserved powers' model (Welsh Government, 2012c).

The Welsh Government has the power to develop and implement policies, but has to respond to debates and questions of the National Assembly for Wales (Wales, 2012). The National Assembly for Wales is a law making body, debating and approving policies developed by the Welsh Government. Furthermore, the 60 members of the National Assembly for Wales scrutinise and monitor the actions of the Welsh Government (Welsh Government, 2012e). The Welsh Government is mainly financed by the UK parliament using a Departmental Expenditure Limit (DEL) on a three-year calculation over an inherited budget. This block grant makes up most of Wales' spending power. It has been argued that the grant and the formula used to calculate it are inappropriate and not based on any convincing rationale (Jones, 2013). Borrowing power, although it exists, is in practice null due to the Treasury adjustment of spending limits, which is not the case for example in Scotland. It has been argued by a public sector participant that this stops any major infrastructure projects from being delivered. Tax-varying powers (or tax assignment in relation to income taxes) and other reforms to the grant-funding and legislative powers were negotiated ahead of 2014. Tax reforms were said to be necessary to give the Welsh Government a direct financial stake in the economic prosperity of Wales (Jones, 2013). Labour market policy is a policy area reserved at national level. However, the Welsh Government has a number of strategies in a number of devolved policy areas that are closely linked and relevant to the labour market.

5.4.1 –Labour Market Policy in Wales

The Welsh Government influences social policy at local level through a number of initiatives that have to be implemented by all local authorities, such as Families First, Communities First, and Flying Start. Flying Start is the Welsh Government Early Years programme for families with children under four years of age, and it is targeted to some of the most deprived areas in Wales (Welsh Government, 2013f). Communities First,

launched in 2001, is likewise targeted to the most deprived areas (Welsh Government, 2013d), and in Cardiff the programme is focused in four areas. Both programmes support the Welsh Government Tackling Poverty agenda.

The Families First programme introduces a link between employability and employment, and improving family income and wellbeing, as well as a number of other targets alongside employment from prevention to protection (Welsh Government, 2011a). The funding is for partnership-working, to promote more effective multi-agency working for families (Welsh Government, 2013g). Councils are the lead partner and commission the service on behalf of the partnership under the guidance of Family First delivery groups. Partners include other departments of the council and other public and third sector organisations (Welsh Government, 2013e). Provision of services, on an outcome basis, is commissioned to various organisations. The programme has six packages of services, one of which is for sustaining employment. Each of the packages has a lead provider, which is a public or third organisation. In Cardiff the organisation leading the sustainable employment packaged is a charity organisation called SOVA (Cardiff Partnership, 2013).

Families First has a Joint Assessment Family Framework, a Team Around the Family model, a set of projects that are strategically commissioned, time limited, and family-focused (Ginnis et al. 2013), and it allows local flexibility in the design of projects that are needed. There are a number of novel project elements when compared to previous Welsh initiatives. Of interest to this thesis is the new approach to partnership-working, which has two main features. The first one is the coordinated service delivery through a 'case worker team' (Team Around the Family model) which aims to bring a range of professionals together for each family (Cardiff Partnership, 2013). The second one is a more strategic commissioning aimed at joint-commissioning based on local needs, a competitive process (Ginnis et al. 2013), and consortia-development for bidding. The aim of strategic commissioning is to align Family First programmes with other funding streams, and commission fewer outcome-based projects (Cardiff City Council, 2011).

Participants indicated that the Communities First and Families First programmes are linked to Jobs Growth Wales, which is the main employment agenda of the Welsh Government. According to participants, Jobs Growth Wales aims to support young people in particular and is linked to the Welsh Government NEET (Not in Employment

Education or Training) agenda. The Future Jobs Fund had good results because, according to participants, it focused on placements that added value and were sustainable (i.e. lead to sustainable employment), and because it was able to reach and interest employers, particularly SMEs, that are more likely to recruit *"the long-term unemployed and harder to reach groups"* (private sector organisation). According to one participant, Jobs Growth Wales does not have the budget or the brief to tackle unemployment. According to participants, the priorities of the Welsh Government have revolved around literacy, numeracy and poverty, and have recently evolved to now include employability.

The analysis of Welsh Government policy documents highlights the existence or a limited link between labour market policy objectives and various other policy areas. These are outlined next:

- Children Strategy: the Welsh Government 'Child Poverty Strategy 2011' had three objective, two of which focus on the employment status of families, and sets out initiatives to achieve these objectives (Welsh Government, 2013c). Family First programme is a key initiative to achieve this strategy (Welsh Government, 2011a). Welsh Government 'Building a Brighter Future: Early Years and Childcare plan' aims at improving the life chances and outcomes of all children. It has seven focuses, and recognises the importance of employment of households in children's opportunities. It highlights the need to engage with employers to encourage family friendly policies (Welsh Government, 2013a).

- Income Equality Strategy: the Welsh Government plan to tackle poverty 'Building Resilient Communities' aims at building communities which are well informed, supported, and organised and helping people into work. It relies in the Communities First programme and sets out specific initiatives and targets (Welsh Government, 2013b).

- Youth Strategy: the Welsh Government 'Youth Engagement and Progression Framework' aims to maximise the opportunities for all children and young people (Welsh Government, 2013h). The plan stressed the importance of employment and highlights the need for partnership between education, careers, and youth services.

- Economic Strategy: the latest economic strategy of the Welsh Government 'Economic Renewal: A New Direction' focuses on inward investment, large scale infrastructure, and support for businesses (Institute of Welsh Affairs, 2015) and makes highlights the connexion between economic renewal and both skills and employment services (Welsh Government, 2010).

It is expected, therefore, that as these policy areas have been linked in strategic government documents, there will be a degree of coordination between them during policy implementation.

5.4.2 – Local Government Relations in Wales

The interests of Welsh local government—with 735 community and town councils, 22 local authorities, four police authorities, three fire and rescue authorities and three national park authorities—are represented by the Welsh Local Government Association. The task of the Welsh Local Government Association is to support the local government and local authorities in their policy development, their public services, in equalities issues and in employment affairs (Welsh Local Government Association, 2012). A further element of the Welsh Government is the Department for Local Government and Public services, which supports public services such as local government finance, democracy, partnerships and service delivery through generating suitable policies (Welsh Government, 2012b).

Councils are responsible for providing front-line services such as social services, development, equalities, and transport. One public sector participant opined that, given its size, the number of local authorities in Wales is excessive. According to that participant, there seems to be a push to create regional structures and, although this is welcomed in general, it was suggested that sometimes the speed of change is too fast, making it difficult to achieve effective transitions.

In 2005 the Welsh Government launched 'Making the Connections', advocating collaboration within and across public services. This is a policy that, according to the Welsh Local Government Association, *"represents a distinctive alternative to the policies of Whitehall, which advocated competition, contestability and choice underpinned by a stringent inspection regime which rated councils through a Comprehensive Performance*

Assessment" (Welsh Local Government Association, 2013a). Local government is encouraged to collaborate in various ways: through ministerial powers directing collaboration, through funds encouraging it, and through the signing of the Compact between Local and Central Government to undertake studies into the feasibility of collaboration in most council services. The 'Compact for Change' was developed from the recommendations of the Simpson Review[16] published by the Welsh Government in March 2011, and focuses on collaboration and the changes required to achieve it, as more functions or parts of services are organised on a regional and national basis (Welsh Government, 2012d). The Compact for Change was signed at the Welsh Government's Partnership Council in December 2011. The Compact set out a joint commitment to delivering improved and cost effective services to communities across Wales, and to reform services to achieve this aim (Welsh Government, 2012a).

In order to achieve collaboration, the Welsh Government created six regions and the Regional Collaboration Fund that collaborative processes can access. To manage collaborative working in the public services in Wales, the Welsh Government has created the following structures: The Reform Delivery Group; The Public Service Leadership Group; National Work Programmes; and The Measurement Group. There are a number of current regional collaborative projects but most of these involve health and social care.

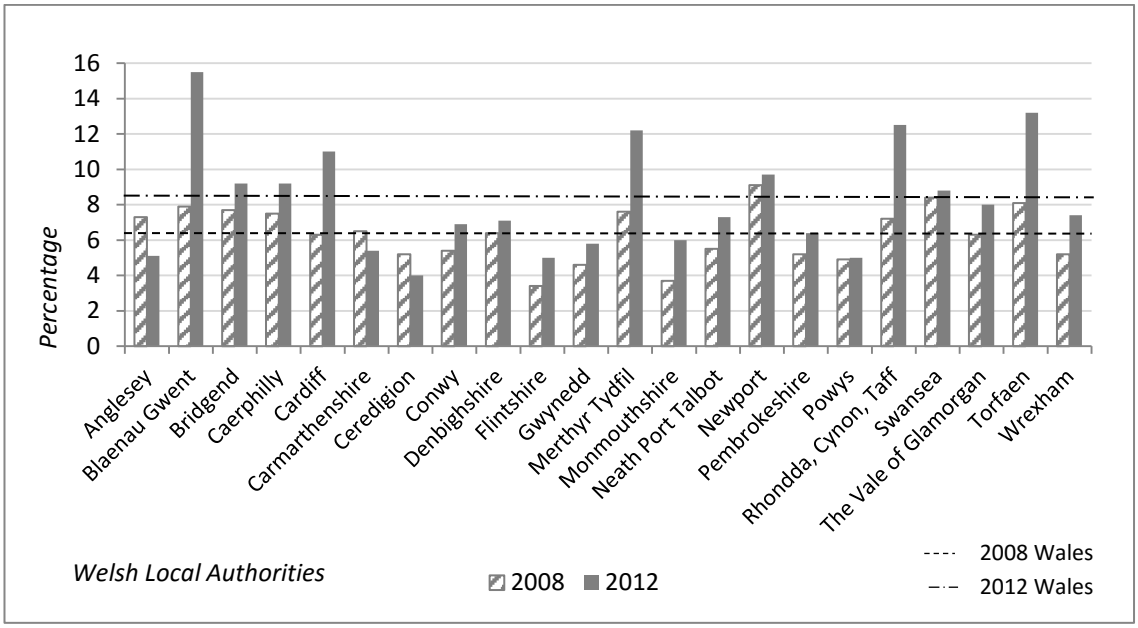
Regional Partnership Boards are subcommittees of the Welsh Local Government Association. The Boards operate in geographical areas (north, central and south-west, and south-east Wales) supported by Regional Coordinators, and initiate, promote and evaluate collaborative activity in their region (Welsh Local Government Association, 2013b). They are composed of the Leaders and Chief Executives or Managing Directors of each local authority in Wales, although in some instances membership extends to wider public sector partners (Welsh Local Government Association, 2013b).

[16] The Simpson Review, 'Local, Regional, National: What Services are Delivered Where', was commissioned in 2011 by the Welsh Government with the aim to forward collaboration and joint working (Johns & Reynolds, 2011). It made recommendations regarding working across boundaries and in collaboration with other authorities to deliver more effective public services (Pugh, 2012). The Simpson Review "Local, Regional, National: What Services are Delivered Where" is available at this link:
http://gov.wales/docs/dsjlg/publications/localgov/110325lnrservicesv2en.pdf

5.4.3 – Local Economic situation in Wales

Wales has fared similarly to the rest of the UK in the economic crisis, with a rapid increase in the unemployment rate from 2008 onwards. However, rates of unemployment in Wales have been consistently higher than in the rest of the UK since 2007 (Figure 5.1 above). Within Wales, local authorities have performed differently concerning unemployment (Figure 5.5).

Figure 5.5 – Unemployment rate amongst those aged 16-64 per Welsh local authority (2005 and 2012)



Source: NOMIS (no date) Annual Population Survey

While the majority have experienced an increase in the unemployment rates from 2008 to 2012, in some local authorities such as Blaenau Gwent, the increase has been much greater than in other local authorities, such as Swansea. In three local authorities, Anglesey, Ceredigion, and Carmarthenshire, the unemployment rate has decreased. Cardiff in 2012 had an unemployment rate of 11 percent, thus being one of the nine local authorities with unemployment rates equal or above the rate for Wales of 8.5 percent, higher than for Edinburgh (6 percent), and just above Newcastle (10.2 percent).

The Economic inactivity rate for 2012 in Cardiff was 27.9 percent, which is 1.5 percentage points higher than the average for Wales and higher than in Edinburgh (23.3 percent), but lower than in Newcastle (30.4 percent). Of those inactive, 24.7 percent wanted a job, compared to 25.1 percent in Scotland, 14.2 percent in Edinburgh, and 20.3

percent in Newcastle. In 2012, the employment rate in Cardiff was 64.2 percent, which is 2.9 percentage points lower than the average in Wales, 7.9 percentage points lower than in Edinburgh, and 1.7 higher than Newcastle. Cardiff has a lower percentage of people with no qualifications (9.7 percent) compared to Wales (11.4 percent) and Newcastle (11.7 percent), but higher than Edinburgh (5.6 percent). The percentage of people with NVQ4+ qualifications was 37.8 percent, which was 7.6 percentage points higher than the average for Wales and 3.4 higher than Newcastle, but 17.6 percentage points lower than Edinburgh. In terms of benefit claimants, in 2012 Wales had a higher proportion of claimants in all categories (17.6 percent) compared to Scotland and England (15.9 and 13.8 respectively), but the differences were small for those claiming Jobseeker's Allowance (3.8 percent in Wales). Cardiff, with 4.2 percent of people claiming Jobseeker's Allowance was 0.4 percentage points higher compared to Wales and 1.2 higher than Edinburgh, but 0.6 lower that Newcastle. Cardiff in 2012 had 26.1 percent of people employed in professional occupations (compared to 17.7 percent in Wales, 31.1 percent in Edinburgh, and 23.4 percent in Newcastle) and 9.4 in elementary occupations (compared to 11.3 in Wales, 7.7 in Edinburgh, and 12.5 percent in Newcastle).

In summary, labour market policy is a reserved matter and therefore the Welsh Government does not hold responsibility over this area of policy. The Welsh Government implements policies that have an impact on poverty, skills, and employability and on national labour market policy. The Welsh Local Government Association and Regional Partnership Boards underpin the relationship between devolved and local government in Wales. The labour market situation in Wales since 2008 is worse with regards to unemployment compared to England and Scotland. However, Cardiff fares better when compared to Newcastle and Wales and better than the North East region of England. When compared to other local authorities in Wales, Cardiff has the fourth worst rate of unemployment for 2012.

5.5 – Summary

To sum up, the labour market and economic situation in Edinburgh, Cardiff, and Newcastle is very different. While Cardiff has a high unemployment rate by UK standards, Newcastle's is even higher, while Edinburgh's is lower than the national

average. However, in terms of economic inactivity and Jobseeker's Allowance claimants, Newcastle has higher levels than the other two cities. The different labour market situation is likely to influence local labour market policies. Since labour market policy in Great Britain is a UK government reserved matter, national Get Britain Working initiatives are implemented in the devolved regions by Jobcentre Plus or external providers contracted by the Department for Work and Pensions. New public management characteristics have dominated the governance of labour market policy since the 1970s, although there are different governance approaches for different initiatives. For instance, the main national initiative for the long-term unemployed, the Work Programme, has novel features, which aim to increase providers' discretion and partnership-working.

Since labour market policy is not a devolved area, the influence of sub-national governments is limited. However, through their devolved powers in other policy areas, such as education and skills, each devolved government creates a specific policy environment in which national labour market policies are implemented. The devolved governments furthermore develop strategies to tackle unemployment, such as 'Workforce Plus' in Scotland, or 'Jobs Growth Wales' in Wales. Even though devolved governments have autonomy in some policy areas, as a result of the financial settlements from central government, there are constraints. Although the formula that funds both devolved nations is similar, due to the Treasury adjustment of spending limits, Wales does not have de facto borrowing power. The lack of borrowing power and tax-varying powers were said to be linked to the lack of a strong employment strategy and economic development policy in Wales.

The relations between local government and each of the three national and devolved governments is different. In Scotland, the Community Planning Partnerships and the Single Outcome Agreements underpinned by the Concordat, are structures that facilitate local government discretion to act but maintain central government oversight of decisions and outcomes. In Wales, the Welsh Local Government Association and the Department for Local Government and Public services support local government in policy development and implementation. In England, it is through Local Enterprise Partnerships that the link between administrative levels is made. It is in Scotland where structures for local discretion and national direction seem more clearly established.

Coordination between policy areas in Scotland is encouraged through partnerships structures created by the Scottish Government (i.e. Community and Neighbourhood Planning Partnerships). In Wales, the Compact for Change underpins the coordination efforts. In England, the newly formed Local Enterprise Partnership appears to be considered the organisation through which coordination will take place. In national and devolved official documents, reference to coordination and partnership is made in the three cities. It is, therefore, expected the areas, providers, and levels linked in official documents would display a degree of coordination during policy implementation.

It is expected that the different economic contexts, governance forms, structures and institutions in the area of labour market policy would impact on the type and strength of vertical and horizontal coordination in the provision of labour market services for the long-term unemployed. The following three chapters (Chapters 6 to 8) explore the type and level of coordination in Edinburgh, Cardiff, and Newcastle in this policy area.

Chapter 6. Edinburgh Case Study

In this chapter, the findings from the Edinburgh case study are presented. Edinburgh is one of the 32 Local Authorities in Scotland. From a point of lower unemployment rate compared to England and Wales Scotland fared relatively better during the first to years of the recession concerning unemployment. However, in 2010 the Scottish unemployment rate had matched the rate in England and in 2011 surpassed it getting close to the Welsh rate. Within Scotland, Edinburgh has fared better than other local authorities, with an unemployment rate of six percent in 2012, which is lower than the Scottish average, and an economic inactivity rate of 23.3 percent, which is 0.1 percentage points higher than the Scottish average (see Chapter 5 Figure 5.4). In Edinburgh, three percent of people were claiming Jobseeker's Allowance, which is lower than in the other two case studies.

The focus of the analysis in this chapter is the exploration of the structures, mechanisms, and conditions that influence the existence or lack of coordination in labour market policy. The main questions guiding this chapter are: What are the administrative structures and priorities, and who are the key actors, for labour market policy at local level? Do the administrative levels, policy areas, and various stakeholders coordinate when implementing and developing labour market policy? What is the level of coordination, in which settings does it occur, and what are the reasons for the existence, or lack of, coordinated action?

The findings are reported in a descriptive manner, as per the analytical technique chosen (see Chapter 4 Section 4.2.2), with the aim of identifying causal mechanisms for the existence or absence of coordination. This data will be analysed through explanation building techniques in the comparative cross-case chapter (Chapter 9). The three domains of reality of a critical realist approach are explored.

The chapter is structured in three sections. First, the labour market strategy, priorities, and key stakeholders in Edinburgh are presented. The second section explores the level of vertical (between administrative levels) and horizontal (across policy areas and amongst stakeholders) coordination in Edinburgh. The chapter ends with a summary.

6.1 – Labour Market Strategy in Edinburgh

The main questions guiding the section are: What is the local government set up and how does it operate in relation to labour market policy? Which actors are the key players in this policy area? Which employability issues are prioritised by local government and why are certain strategies chosen? These questions are explored in the following three consecutive subsections.

6.1.1 – Local Administrative Arrangements

The local government in Scotland has discretion on policy development and implementation in a number of areas. Local government discretion on budget expenditure has increased as a result of the change from ring-fencing to block grant-funding from the Scottish Government (Scottish Government 2007, Scottish Government 2008). Nevertheless, the Scottish Government maintains a steer on local government discretion through the National Performance Framework indicators and the Single Outcome Agreements, through grant-funding, and via personal support and relationships. Participants from the public and third sector suggest that the Scottish Government directs local priorities. One public sector participant welcomed this, while other public sector participants considered the Government's steer so limited that local authorities are left with considerable uncertainty. As one participant explained:

> *"I guess it is a balance though between Local Authorities asking for and being given greater scope to respond to their local issues, but still actually looking for support about how they would do that."* (Public sector organisation)

This quote suggests that local authorities seek both discretion and direction, and that a balancing act between those needs is required. At the same time, participants indicate that Scottish Government support and direction to local authorities is necessary if its priorities are to be taken on board at local level.

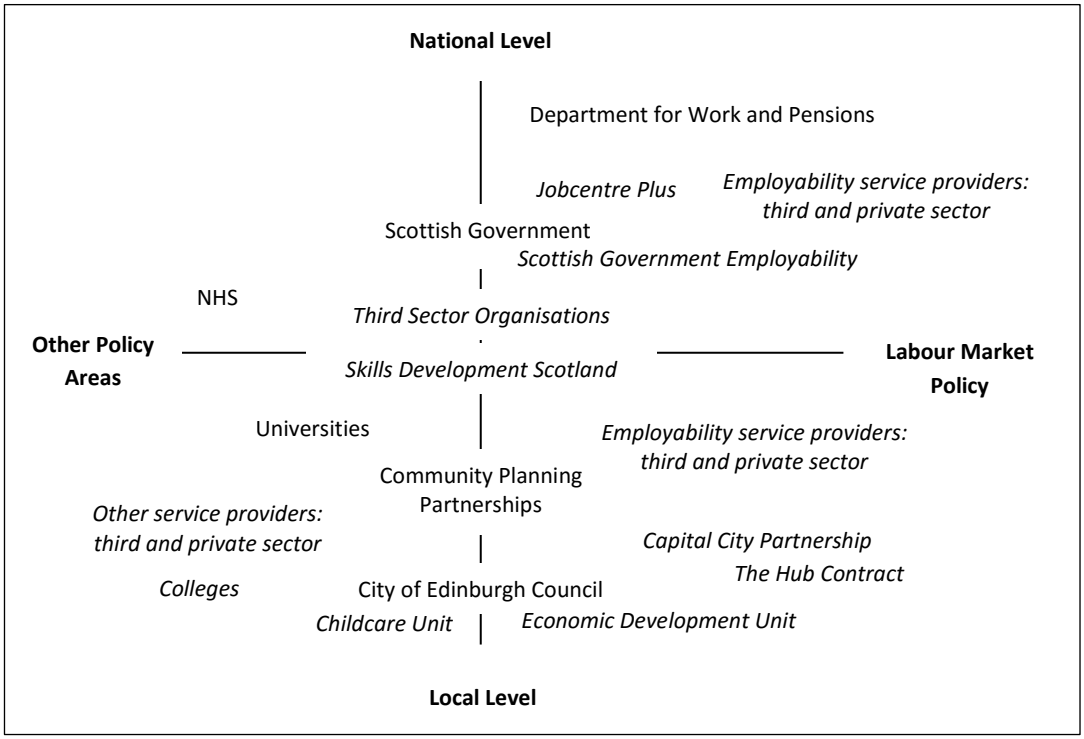
The Economic Development Strategic Partnership and the council's Economic Development Unit seem to have responsibility over labour market policy, but there is some uncertainty as to how they coordinate their activities. Firstly, the Economic Development Strategic Partnership is one of the six strategic partnerships of the Community Planning Partnership (Edinburgh Partnership, 2015). Its remit is the

economy and jobs, which is one of the Community Planning Partnership's strategic outcomes (Edinburgh Partnership, 2013). Secondly, the Economic Development Unit has had responsibility for employability policy since 2009, when the City of Edinburgh Council placed responsibility for labour market services to this Unit. Since 2011, the development of employability policy and strategy, and its implementation, have been separated. Capital City Partnership, an arms-length council body, deals with implementation and the operation of policy and strategy, having lost its policy-development role. One public sector participant opined that Capital City Partnership would be more efficient in commissioning services if it could develop policy and strategy as it did previously, rather than only implementing it. Capital City Partnership sits in the Community Planning Partnership group.

6.1.2 – Local Actors

Some of the key actors involved in policy development and implementation in labour market policy for the long-term unemployed in Edinburgh are mentioned in this subsection and are displayed in Figure 6.1.

Figure 6.1 – Some of the labour market and employability policy actors in Edinburgh



Source: Author

The vertical axis in the figure represents the administrative level, with the national level situated at one extreme and the local level at the other; the horizontal axis represents policy areas, with labour market policy at one extreme and 'other' policy areas at the other extreme. There are no absolutes in the figure and actors are displayed in a continuum. Actors shown in italics are the organisations interviewed in this thesis. The role of some of these actors is explored next.

The Department for Work and Pension develops national labour market policy for the long-term unemployed, and Jobcentre Plus and the Work Programme providers are key actors in its delivery (see Chapter 2 Section 2.2). In Edinburgh, the Work Programme prime providers are Ingeus and Working Links. Working Links is one of the providers in Scotland, Wales, and in one contract area in England. Ingeus is a provider in Scotland and in six contract areas in England.

At local administrative level, two organisations appear to have responsibility for economic development and other related social policy areas. The first organisation is the Economic Development Strategic Partnership, which links economic inclusion and poverty, skills development, and economic development through its three priorities and 13 key indicators. This partnership was established in 2011 and brings together 13 organisations: Economic Development Service, Capital City Partnership, Edinburgh Universities, Edinburgh College, Skills Development Scotland, Scottish Funding Council, National Health Service Lothian, Jobcentre Plus, Scottish Enterprise, Edinburgh Social Enterprise Network, Scottish Business in the Community, Edinburgh Chamber of Commerce, Federation of Small Business (Economy Committee, 2014).

The second organisation is the City of Edinburgh Council Economic Development Unit, which has responsibility for the employability and economic strategy. The City of Edinburgh Council has an 'employability and poverty reduction strategy' which strives to provide an Integrated Employability Service, as described in the Consultation Draft of the Integrated Employability Service Commissioning Strategy 2012-2015 (City of Edinburgh Council, 2011). Capital City Partnership is the delivery body for Edinburgh's employability strategy; according to its website its key tasks are *"to advise, support and develop the city's Jobs Strategy and Partnership and to contract, performance manage and improve the outcomes from all of the city's locally funded employability services"*

(Capital City Partnership, 2012). Capital City Partnership is responsible for leading the Strategic Skills Pipeline and the Edinburgh Joined Up For Jobs employability strategy, which brings a number of partners together. The executive group of the Joined Up For Jobs strategy is the Jobs Strategy Group, which is Edinburgh's Local Employment Partnership and is composed of seven organisations: Department for Work and Pensions, Skills Development Scotland, colleges, City of Edinburgh Council, National Health Service, Edinburgh Chamber of Commerce, and Capital City Partnership. Its remit is to plan and have a strategic overview of Edinburgh's employability plan. The Joined Up For Jobs Providers Forum brings service providers together, and according to one public sector participant, feeds into the Jobs Strategy Group.

A review of the locally-funded employability provision commissioned by the Economic Development Unit in 2010 revealed that *"no less than 127"* organisations were delivering employment related services (City of Edinburgh Council 2010, p.3). This shows an overcrowded employability landscape of organisations providing targeted services funded by various agencies and levels of government. These organisations pertain to the public, private, and third sector, and deliver labour market and employability services as requested and funded by national, devolved, and local government. Local government priorities concerning employability are explored next.

6.1.3 – Local Government Priorities

Long-term unemployed individuals in Edinburgh can access national labour market programmes, as well as Scottish Government-funded initiatives and Edinburgh-specific programmes (Table 6.1 below).

National labour market policy in Great Britain is developed by the Department for Work and Pensions, and is implemented, with limited discretion, by Jobcentre Plus and by external contractors. It has been characterised as centralised localism (Kazepov 2008, Lindsay & McQuaid 2008, Minas et al. 2012). National labour market services are competitively-tendered to external contractors.

The Scottish Government has championed a pipeline strategy to employability and skills, and the City of Edinburgh Council is responsible for the Integrated Employability Service that develops the pipeline strategy in Edinburgh.

Table 6.1 – Main labour market and employability initiatives in Edinburgh

Policy-making level	*Unemployed target-group of the initiatives*			
	Long-term	*All*	*Disability*	*Young people*
National	Work Programme	Work Clubs Sector-based work academies Work Trials (WT) Employment on Trial Enterprise Clubs New Enterprise Allowance Work Together	Work Choice Access to Work Residential Training	Voluntary work experience
Scotland		Training for Work Modern Apprenticeships		Get Ready for Work
Local		Get On The Hub		Edinburgh Guarantee Inspiring Young People – Public Sector

Source: Author

The pipeline is a skills and employability framework for supporting individuals to move into, and remain in, work. The Economic Development Unit within the council is responsible for delivering the pipeline strategy and the four priorities of the jobs strategy (City of Edinburgh Council, 2012). According to one public sector organisation, these priorities *"wrap around Jobcentre Plus and the Department for Work and Pensions priorities and services"* and are the following:

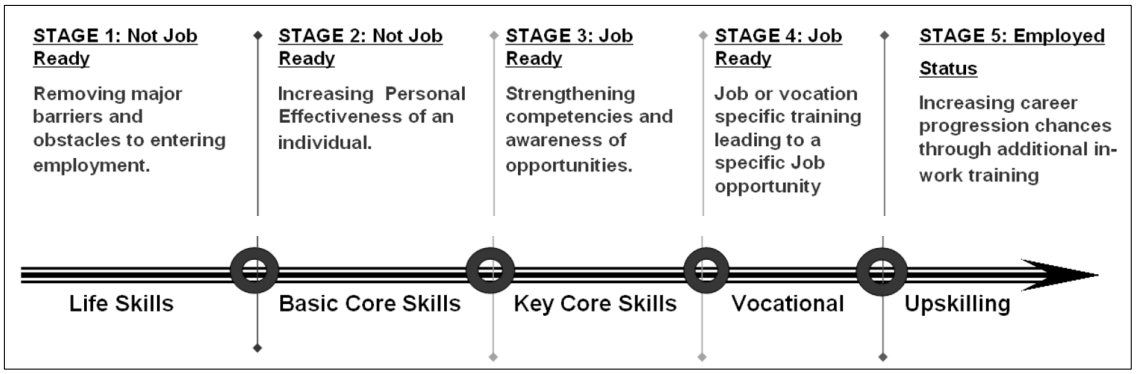
- Young people (14-19) including Children and Families policies.
- Early intervention, which covers the newly unemployed before they become long-term unemployed.
- Regeneration, which includes social clauses[17] in council's contracting.
- Low-paid, which includes poverty reduction.

This strategy aligns with national policy to complement and not duplicated it. The employability funding in Edinburgh is both competitively-tendered, with outcome-based contracts such as the Hub contract, and grant-funded (City of Edinburgh Council, 2011).

[17] The Scottish Government in 2012 made public the intention to introduce Community Benefit Clauses in public procurement through a Sustainable Procurement Bill (Scottish Government, 2012c). These clauses will require bidders for public contracts to demonstrate the social value that they will create (Ainsworth, 2012). The Bill was introduced in 2014 as the Procurement Reform (Scotland) Act 2014 (Scottish Government, 2016).

Capital City Partnership is responsible for the implementation of the Strategic Skills Pipeline framework, which has five stages that depict an individual's journey toward employment and career progression (City of Edinburgh Council, 2011). The first two stages focus on those who are not job-ready, and involve dealing with various substantial barriers to employment through providing life and basic core skills, tackling issues such as substance misuse, confidence, and money problems. The third and fourth stages target those who are job-ready and provide key core skills such as strengthening competencies and vocational skills, and job-coaching and work-based training. The last stage focuses on upskilling people who are in work. Although the representation of the pipeline is linear (Figure 6.2), in practice any individual can go back to prior stages if necessary at any point.

Figure 6.2 – Edinburgh Strategic Skills Pipeline



Source: Based on City of Edinburgh Council (2011)
Note: The pipeline or some of the wording within it might have changed as the strategy in Edinburgh develops.

According to some public sector participants, the Strategic Skills Pipeline aims to understand the multiple and various barriers that individuals might face in their journey towards paid employment. One participant explains the pipeline in the following terms:

> *"[The pipeline] is a kind of Maslow hierarchy … if someone has a drug habit and a very chaotic lifestyle, you are not going to be able to expect him to go straight into college to do a skills development programme without getting some of the other stuff sorted first."* (Public sector organisation)

This quote suggests that the pipeline strategy or framework takes into account where unemployed people are in their path towards paid employment, and the need to deal

with some of the basic and substantial problems some face before progressing to deal with other employment barriers.

The pipeline requires a mapping exercise of the local provision, and an understanding of how and where providers fit in the pipeline framework. This should highlight any service gaps at local level that have to be filled and focus attention on the existing referral mechanism and linkages between organisations, and on the quality of these links. As one participant commented:

> *"[The] pipeline maps out that customer journey making sure that one, we do have provision for that customer and two, that provision has been effective enough."* (Public sector organisation)

This quote implies that the pipeline is a way to consider holistically the path towards employment for an individual, in a manner that is effective. This will require that the necessary structures and practices for the path to be effective are considered and sourced.

In Edinburgh, the Strategic Skills Pipeline will be delivered through a Hub system, with one service contract for a consortium of three organisations. The objective is to achieve service coordination, at least *"as far as the employability services are concerned"* (public sector organisation). This participant suggested that coordination between employability services has not been achieved effectively, and that this is a priority, even before other services from other policy areas are coordinated. The Hub contract takes half of the employability budget from the City of Edinburgh Council. One participant stated that the project aims at giving *"a substantial operational financial base"* to the consortium to the pipeline (public government organisation). Accordingly, the strategic pipeline is a priority for the council, underpinned by a substantial part of the existing resources. The Hub contract was put in place in May 2012 and supports clients navigating the pipeline. The Hub will refer clients to suitable providers, those agencies then refer the clients back to the Hub when appropriate, with clients then case-managed onto the next stage of the pipeline.

To sum up, the main actors developing and delivering national and local labour market policy in Edinburgh are the Department for Work and Pensions through Jobcentre Plus,

the Work Programme prime providers and other external contractors, and the Economic Development Unit within the council through the Capital City Partnership and external subcontractors. Although the Economic Development Strategic Partnership has an employability focus, it appears that the main strategy and provision in Edinburgh is largely determined by the Economic Development Unit within the council and by its delivery agency, Capital City Partnership. Edinburgh's employability strategy appears to be dominated by the Hub contract primarily, and by priorities that align to national labour market policy.

6.2 – Coordination in Labour Market Policy

Many of the strategic documents cited in Chapter 5 consider coordination and partnership-working as an aim to be achieved in labour market policy implementation. In this section, participants' opinions on the extent of the coordination that exists in labour market policy for the long-term unemployed in Edinburgh are presented. The structure of this section follows the three dimensions where coordination could occur: between administrative levels, across policy areas, and amongst service providers.

The questions guiding the section are: Do the national, devolved, and local administrative levels coordinate when implementing and developing policy? Do labour market policies coordinate with other policy areas such as health, childcare, housing, and economic development? Do public, private, and third sector organisations coordinate in the development and implementation of labour market policy? In all these dimensions, the objective is to ascertain the level of coordination, the settings where it does occur, and the reasons for the existence or lack of coordinated action.

6.2.1 – Vertical Coordination: Administrative Relations

Participants from the public sector considered that coordination between national and the devolved or local administrative levels is limited, due primarily to the limited local discretion of national actors. As one participant explained:

> *"All of the decisions are handed down to us and we simply administer them … but you get more value from them if you get the ability to sort of review over time, and say okay we will phase that out and phase something else in."* (Public sector organisation)

This quote implies that national services cannot be planned or reviewed strategically to meet local and individual needs. This and other public sector participants suggests that national policies and initiatives are inflexible and coordination with local initiatives could be difficult due to their limited flexibility. Some of these participants stated that Jobcentre Plus has been given a degree of flexibility and some discretion through the recently-introduced Flexible Support Fund.

According to other public sector participants, limited coordination is due to the dissimilar objectives or "drivers" of the various administrative levels. For instance, one participant considered that Jobcentre Plus is required to follow national directives and implement a national policy whose primary aim is moving benefit claimants into paid employment, which is not a primary aim of local and Scottish Government labour market policies. Another participant pointed out:

> *"On the ground we have relationships, but I could say we have different aspirations, we have different masters, but we try to find common ground."* (Public sector organisation)

The above quote implies that while different administrative levels attempt to find common ground, the fact that they have distinct policy objectives makes coordination difficult. These different priorities create tensions between actors. One participant from the private sector pointed out that the differences between administrative levels are apparent with regards to the preferred providers in the delivery of public services:

> *"I think in Scotland is the culture where, is in a recent Mori poll, where fifty eight percent of people think that public services should be delivered by the public sector, but a comparative poll in England said that twenty eight percent think it should be delivered* [by the public sector]*, so there is a cultural bias towards the public sector."* (Private sector organisation)

This quote implies that, in Scotland, there is a greater preference towards the public sector as the deliverer of public services, when compared to England. Other public and third sector participants mentioned more openness towards the third sector in Scotland. One remarked that there is an *"historical"* trend of a greater number of voluntary sector employability providers in Edinburgh (public sector organisation).The findings of Chaney

and Wincott (2014) on the third sector's role in welfare provision in the UK post-devolution support these opinions.

Participants from all sectors felt that due to the limited vertical coordination between national and subnational levels, the local level is left with no option but to develop and implement a strategy that fits around current national provision. The local level aligns services in order to avoid duplication and achieve complementarity. Therefore, the national labour market strategy largely shapes the employability focus in Edinburgh. As one participant asserted:

> *"The notion had always been that we locally will wrap around whatever was available nationally, so fill the gaps. So the menu at national level changed significantly so the wrap around has changed significantly."* (Public sector organisation)

This quote suggests that the local level puts in place initiatives with the aim of filling the gaps in, and wrapping around, national provision. Other participants stated that, in the past, local policy was primarily focused on those furthest away from the labour market and those on health-related benefits, and that as a result of the introduction of the Work Programme, the Jobs Strategy in Edinburgh has changed its focus to the short-term unemployed, which is also Jobcentre Plus' target group. This shift has posed a number of challenges especially for specialist provides, often third sector organisations, that target their services to those furthest away from the labour market. It is possible, suggest some third sector participants, that service providers will see the number of service-users reduced, either because they are not subcontracted by the Work Programme primes or because they do not receive enough referrals from them. As one participant explained:

> *"Although we were named within* [one of the prime provider's] *bids we have yet to see anything from that. We have had countless meetings with them and at one point they say that they just wanted to spot-purchases … I would like to develop and SLA* [Service Level Agreement] [18] *… as supposed to this sort of piece meal way*

[18] A Service Level Agreement has been defined as a contract which details the services a service provider will provide and the required level or standard for those services (Cordall, 2014), and the payment expected for those services.

> *… that doesn't give us any security whatsoever and actually doesn't mean that they have to do anything specific for* [clients]*."* (Third sector organisation)

This quote implies a lack of expected referrals from the Work Programme, and the precariousness of this situation for service providers. Participants from the third and public sector were acutely aware of the change in the local strategy and target group as a result of the national strategy for the long-term unemployed. It is currently unclear what provision will be in place for those individuals that are still unemployed at the end of their time in the Work Programme.

The Scottish Government likewise influences the local strategy, firstly through the National Performance Framework and the Single Outcome Agreements, and secondly via grants to fund the provision and delivery of activities. Due to the various initiatives and influences coming from these two administrative levels, participants from the public sector said that the local level has a limited area of control. One participant stated:

> *"About 80 percent of the resources and interventions that are active in Edinburgh in employment come from outwith. So* [they] *come from DWP* [Department for Work and Pensions] *or from the Scotland level, or some other regional level. So there is about 20 or 25 percent which we control locally."* (Public sector organisation)

The above quote suggests that the local level controls only a small part of local employment policy, with the majority of resources and initiatives coming from other administrative levels. Participants asserted that local government does not have the space or the discretion to develop an employability strategy. This was said to be the case even though the local level is granted increased discretion due to a recognition that local solutions are more relevant to tackling local issues.

One public sector participant stated that *"Scottish local authorities play a greater role in employability than local authorities in England"*. This could be due to structures such as the Community Planning Partnerships and the Single Outcome Agreements that, participants suggest, distribute responsibilities and discretion to the local level. The same participant indicated that *"it is in some sense better but it is more complicated*".

The complications might arise from the tension between increased discretion and the devolution arrangement. As one participant explained:

> *"We are limited on what we can do, at the end of the day benefits and other policies are not devolved and it is complicated: you have benefits policies at national level, health and other at the Scottish level and then other such as housing at local level. That is complicated."* (Public sector organisation)

This together with scarce resources, and increased accountability expected by the devolved government also puts pressure on local governments.

The Work Programme's black-box approach to service delivery could achieve vertical coordination. One participant observed:

> *"One of the benefits of this particular service delivery model is actually that gives … quite a lot of local flexibility, if you like. So [they] can respond to local needs and situations."* (Private sector organisation)

This quote suggests that the Work Programme model provides flexibility to the organisations delivering it to respond to local needs. There is quasi-absolute discretion on the local services that will be provided by the Work Programme. However, participants from all sectors point out that the Scottish Government's guidelines on the Work Programme have exacerbated the already limited coordination between administrative levels. According to these guidelines, Work Programme service-users will be unable to access local services funded by the Scottish or local government unless Work Programme primes pay for them. One participant explains:

> *"At the moment I think there is a bit of an impasse there, that Scottish ministers have said that they feel that they shouldn't be duplicating what they think that there is Work Programme provision."* (Public sector organisation)

This quote suggests that the Scottish Government has taken the decision regarding the Work Programme in order to not duplicate what is already funded through the Department for Work and Pensions, and that this situation has created a standoff between subnational and Work Programme's provision. Participants from the public and third sector similarly asserted that the Scottish Government set up these guidelines in

order to achieve additionality and avoid duplication of funding. The rationale behind this argument is that since Work Programme primes have already been funded by the UK Government to provide services for the long-term unemployed, allowing Work Programme service-users access to provision funded by Scottish funds would duplicate and waste resources through double-funding.

However, one participant from the private sector said that the Scottish Government's stance is ideological, in the sense that the Scottish Government opposes the Work However, a participant from the private sector said that the Scottish Government's stance is ideological, in the sense that it opposes the Work Programme's financial and tendering arrangements, and the governance of national labour market policy (aims and operationalisation). The same private sector participant, as well as others from the public, private and third sectors, opined that the Scottish Government's stance is a political one. Participants spoke of the support within Scotland for service provision via the third sector, and the tension created by the fact that the Work Programme fails to facilitate this approach. One participant stated:

> *"I think that there is an element of politics between what the Work Programme wants to do in Scotland and what Scottish ministers want to do in Scotland. And that is very much set in the context of the … a referendum into 2014."* (Public sector organisation)

This quote implies that the Scottish Government's position regarding the Work Programme is influenced in part by the Scottish independence referendum and the Scottish Government's desire to position itself as an alternative, and in opposition, to the UK Government. Whether the reasons behind the Scottish Government decision are practical, ideological, or political, participants asserted that there is an *"impasse"* (public sector organisation) between national and subnational service-provision for the long-term unemployed. One participant suggested:

> *"There is an open hostility towards the Work Programme … when it gets to people trying to prohibit the journey of customers then that becomes more of a concern"* (Private sector organisation)

This quote suggests that this stalemate prevents the adequate provision of services for the long-term unemployed. However, participants also stressed that the difficulty of providing adequate services for the long-term unemployed is intensified by, if not the result of, the Work Programme's funding arrangements, which are considered inadequate to meet service-users' needs.

Participants from all sectors refer to instances where the various administrative levels come together. It was emphasised that these meetings often result in information-sharing and, on occasions, lead to coordination around areas such as employer-engagement, where administrative actors have discretion. The need for coordination around employers was seen as necessary by public and private sector participants for two reasons. Firstly, because in some cases a single provider is not able to meet the workforce demands of large companies setting up in Edinburgh. Secondly, in order to reduce complexity and increase success by directing employers to one single point of contact where most of their needs can be met. An Edinburgh Employer Engagement subgroup was created within the Jobs Strategy Group of the Joined Up For Jobs network. The subgroup is formed by Jobcentre Plus, Capital City Partnership, Skills Development Scotland, and Work Programme primes. The group developed the Employer Offer, which maps organisations and services such as financial incentives, training opportunities, business development support, and workforce development. Any organisation in this partnership can present this offer to an employer. This approach was used with Amazon when it relocated, and with Primark when it opened a store in central Edinburgh. Through the Employer Offer, organisations try to work together and share information whenever possible. One participant explained:

> *"The way that most of the organisations are set up now is based on outcomes, employer engagement outcomes, but it is to try to work together so we can share the information where possible."* (Public sector organisation)

This quote implies that most organisations operate in competition with each other, as they have to achieve similar outcomes, but, when it is viable for them, they share information. One private sector participant considered that performance management or payments based on outcomes can be a barrier to coordination, since organisations

need to retain clients and build relationship with employers to reach performance targets, which often involves moving service-users into employment.

In summary, even when examples of vertical coordination such as the Employer Offer were cited, the general feeling was that coordination between administrative levels in labour market policy is limited, primarily because of tensions between the policy objectives of the various levels, the limited discretion of national policy, and competition between organisations. These tensions have been exacerbated recently in labour market services for the long-term unemployed as a result of the Work Programme and the stance that subnational levels have taken towards it.

6.2.2 – Horizontal Coordination: Policy Areas Relations

Participants from all sectors asserted that policy areas are not closely linked during policy-making, even if there are efforts *"at least"* (public sector organisation) to align services through forums or cross-panels, so that there is some awareness around what other policy areas are doing. Participants from the public and third sector considered that structures put in place by the Scottish Government at local level to facilitate and encourage coordination, such as Community Planning Partnerships, show a commitment to coordination *"whether or not it works"* (third sector organisation). However, one participant suggested that Community Planning Partnerships *"are not open institutions"* (third sector organisation), in that they tend not to welcome the involvement of actors beyond the list of statutory partners. The involvement of participants in Community Planning Partnerships depends on their resources, their relationships on the ground, and on the operation of each particular Community Planning Partnership and its subgroups.

Participants from the third sector highlight that coordination between policy areas happens mainly during implementation as a practical ad-hoc necessity. One participant remarked:

> *"Everyone talks all the time about policy makers being in silos … and I think that the evidence … would suggest that that is still the case … I think people that are implementing policy often make those connections"* (Third sector organisation)

This quote suggests that coordination often lacks strategic planning and therefore is not as effective as it could be, even if those implementing policy often coordinate services due to practical need. Other participants from the public and third sector likewise allude to policy areas working in silos. They suggest that some policy areas are more closely linked to labour market policy and employability than other areas. Policy areas more closely linked were said to be poverty and social assistance, education and skills, and economic development. Poverty and labour market policy are linked through making work pay initiatives and the connection between income transfers and active labour market policies. Education and skills, and labour market policy are linked through training initiatives targeted at the unemployed and encouraging educational institutions to focus on employability. Economic development links to labour market policy through, for example, social clauses in investment. However, according to participants from all sectors, these policy areas could be better coordinated, especially for other than younger age groups since for this age group these policy areas are linked. Furthermore, participants from all sectors asserted that it is important to link labour market information, education and skills provision, and economic regeneration. As one participant stated:

> *"Employability and skills whether or not they sit together in the same political space, they need to sit together in the same workforce development space, if you want to have a healthy economy."* (Private sector organisation)

This quote implies that economic growth is related to skills and education. According to one public sector participant, funding linking education and employability and outcome-focused funding has been used to bring these two areas closer together. Equally, participants from the public and third sector stress that economic development must pay attention to the types of jobs it encourages and the people benefiting from them.

Policy areas less closely linked to labour market policy were said by participants from all sectors to be childcare and health. However, one public sector participant mentioned, and previous research shows (Bond et al. 2009), that childcare provision in Edinburgh was linked to employability through the Working for Families Fund. This was a Scottish Government initiative implemented from 2004 to 2008 to improve the employability of disadvantaged parents facing barriers—particularly childcare barriers—to labour

market participation. This initiative operated within the Economic Development Unit of the council. As a result of that initiative, at the time of the interviews, there was still a childcare remit within the same council unit. However, childcare is, in the main, a remit of the Early Years strategy. Health and employability had been linked in the national Pathways to Work programme and Work Choice initiative[19], but the former was discontinued and the latter is very specifically targeted.

Public and third sector participants stated that different professional objectives and *"ethos"* (public sector organisation) in policy development and delivery can be a barrier to multi-dimensional coordination. Having professional boundaries can hinder coordination as these set the professional and legal focus and the budgets for that policy area. One participant explained:

> *"Your whole context is quite different, coming from a health context, all the legislation … [or] from an employability and skills agenda."* (Public sector organisation)

This quote implies that the context and legislation of various policy areas is different, for example in health and employability services, even if different areas recognised the link between them in some respects. In health policy, the professional focus is the wellbeing of patients, while in labour market policy the professional focus is employment and employability. Other participants from the same sectors also suggest that organisations are departmentalised, that people often work in silos, and, as expected, they develop knowledge and networks in a particular area, with the result that policies are often developed in isolation: e.g. childcare and labour market policy, where childcare provision does not meet the needs of many jobs in the labour market. Accordingly, there is a lack of knowledge and, sometimes, trust concerning services linked to other policy areas. The nature of funding streams is also considered to promote isolation between policy areas. One participant stated:

[19] Pathways to Work ended in 2011 and was a service created to help people with disabilities or health conditions that make it difficult for them to find work (The National Archives, 2014a). Work Choice is a UK Government initiative to help people with disabilities that find hard to work to get and keep a job (UK Government, 2014).

> *"I think that it is probably an inevitable part of the kind of bureaucratic nature of a lot of the funds, but I think there could be a bit more of jointness."* (Public sector organisation)

This quote suggests that government bureaucracy and approaches to funding promotes departmentalisation. Participants from the public sector consider short-term funding a barrier to coordination. They also stress that streamed and disjointed funding hinders coordination because it creates *"different aims"* (public sector organisation). As one participant indicated:

> *"Funding streams is the problem, the way that funding is done. Try to get them working together with their different aims, because of the funding."* (Public sector organisation)

This quote suggests that coordination is difficult because of the way funding is allocated to departments. Disjointed funding can result in the multiplication of services and service providers, in some cases making them less effective. It was accepted that the Scottish Government does provide block funding to the City of Edinburgh Council, which the council can distribute as it sees fit. However, funding streams are still created, perhaps as a result of the pressure from traditional policy areas boundaries that historically have required block funding to survive. One public sector participant affirmed that if funding for policy areas other than employability (e.g. childcare), is routed through an employability organisation or department, the funding can achieve policy areas coordination because the services provided are centred around employability (e.g. crèche provision where employment services are being provided). Another participant refer to individual budgets as a way of coordinating services and empowering individuals to access services that are tailored to their needs.

Lack of shared data was pointed out by public sector participants and a third sector participant as another barrier to coordination, as different policy areas are not always aware of each other's practices or the services provided or available to individuals. The Scottish Government is trying to develop a Scottish data Hub in order to better-target resources for different people. Some councils are matching up social work and educational records. The sharing of data, funding, and objectives between policy areas could be achieved if services were designed to wrap around the individual instead being

of in the departmentalised *"kind of silos people are working"* (public sector organisation).

The Hub contract, developed in Edinburgh by the City of Edinburgh Council Economic Development Unit, is an example of a multi-dimensional coordination initiative that targets unemployed individuals who are not taking part in the Work Programme. The aim of the Hub is to provide *"rounded holistic support",* and it operates on a *"case management bases"* with a caseworker taking responsibility for a client and *"for the package of support that that client receives"* (public sector organisation). The Hub brings together a number of service providers that are relevant at different stages of an individual's path towards participation in the labour market. The Strategic Skills Pipeline underpins the Hub's work. Public sector participants considered that not only does the Hub aim to improve coordination between the various services and providers in the Pipeline, but, for the benefit of service-users, to bring those services closer together in a geographic sense as well. One participant explained:

> *"[The Hub] will, in those locations, actively seek to link in to non-employment services that are working with the same client."* (Public sector participant)

This quote suggests that the Hub is being resourced and developed in order to facilitate service-users' accessibility to services from various policy areas. One public sector participant stated that the rationale behind the Hub is twofold. Firstly, it seeks to tackle multiple barriers, many of which are not strictly employment-related. Secondly, it ensures the proximity of providers, thus facilitating access to services and minimising the likelihood of individuals falling between the gaps of service-referrals.

With regard to the Work Programme, the coordination between policy areas could be encouraged by the black-box approach to service delivery model and by the payment by results financial arrangement (see Chapter 2 Section 2.2.3). However, any potential coordination was said to be limited by two factors: firstly, according to participants from all sectors, by the Scottish Government's guidelines barring access by Work Programme service-users to local services funded by devolved-channel finances, including access to numeracy and literacy support, drug-addition services, etc.; and secondly, by the Work Programme's financial model which awarded contracts to the lowest-price tenders,

resulting, according to participants from the third sector, in Work Programme providers being unable to deliver adequate services. As one participant stated:

> *"Making a profit for their company is going to lead, I think, to financial problems … because none of the providers say they could make it work financially at the moment at the cost it's being delivered at."* (Third sector organisation)

This quote asserts that the mainly private companies responsible for service-delivery—which have profit-making as their principal aim—are unable to deliver the services at a profit, and implies that the quality of the services delivered may be at risk, and that this situation is unsustainable. Third sector participants considered that funding constraints were such that third sector organisations would find it difficult to deliver the Work Programme requirements, and would not wish to attempt to do so unless additional resources were made available.

The Work Programme primes in Edinburgh, Ingeus and Working Links, have funded a range of organisations which provide a variety of specialist support, including: for those with hearing and vision impairments; for people with learning difficulties; for the aspiring self-employed; for former prisoners; and for those seeking to tackle their drug addiction. In many cases, these services have been outsourced to third sector organisations. Ingeus has five subcontractors providing different services for Work Programme clients, and also relies on the spot purchase[20] of other services, while Working Links was unable to specify the number of subcontractors it employs. Some services have also been provided in-house by these primes, in part due to the high number of clients requiring a service or because in-house provision will be more focused on employability. One participant explained:

> *"Although we are providing health and wellbeing services, it is not a general health and wellbeing service, it always has got to focus on work"* (Private sector organisation)

This quote suggests that health and wellbeing services offered by Work Programme providers are focused on, and aim to facilitate movement into, employment. Similarly,

[20] Spot purchase refers to accessing service provision by other providers if and when required with immediate financial settlement.

other participants asserted that in-house or subcontracted services must be linked to employability. Service providers, including Work Programme primes, often refer service-users to other services, including health provision, where it is considered that individuals might benefit. However, there is very little scope for the referral-organisation to ascertain if the person was able to access the service, or even if the person even approached the service. Accordingly, these referrals do not guarantee that services and/or policy areas are linked together.

Participants from the private sector indicated that, over time, there has been an unexpected increase in the number of individuals referred to the Work Programme who were previously in receipt of Incapacity Benefit, a group that is mostly long-term unemployed. Statistics from the Department for Work and Pension back this up: although the number of Work Programme referrals has decreased since June 2011, the proportion of service-users in receipt of Employment and Support Allowance increased from three percent in June 2011 to just under 33 percent in December 2012 (Department for Work and Pensions, 2014).

One private sector participant stated that the Work Programme does not have the necessary tools to support unemployed service-users whose needs are more complex and who are often in receipt of Employment and Support Allowance, an assertion arguably supported by Department for Work and Pensions statistics on Work Programme job outcomes. The statistics show that the success rate for those in receipt of Employment and Support Allowance within a year of being in the programme is five percent, while it is three times higher for those in receipt of Jobseekers' Allowance (Department for Work and Pensions, 2014).

Participant from all sectors highlighted that funding and the contractual process were central to coordination. One private sector participant indicated that even where it is clear that individuals might benefit from the provision of services from other policy areas, a lack of funding coupled with a lack of remit may create an unassailable barrier to that provision:

> *"The Work Programme has … no statutory obligation and there is no funding element to provide skills training."* (Private sector organisation)

Participants from the private sector pointed out that the Work Programme can neither fund nor deliver some services normally available through the Scottish Government, but to which they have been barred from accessing without funding. Participants from the public and private sector assert that, because the Work Programme uses a black-box approach to service-delivery, some stakeholders understand this as implying that whatever particular service-provision users require must be made available. While participants from the private sector considered that the role of the Work Programme is to move individuals into work, and not to provide certain services. These conflicting views pose a barrier to service coordination.

To summarise, there is general consensus amongst participants that there is limited coordination between policy areas, especially during policy development, but also during policy implementation. The Hub initiative is an example of a labour market initiative that aims to promote coordination between policy areas through a contractual arrangement. Work Programme providers strive to deliver a range of services through subcontracting or in-house provision. Nevertheless, given the range of barriers to employability that many clients will present with, the number of services on offer appears limited. This could be in part the result of Work Programme providers' inability to access services funded by the Scottish Government, the limited number of Work Programme subcontractors and spot purchases, and the inadequacy of the Work Programme's financial settlement.

6.2.3 – Horizontal Coordination: Relations between Service Providers

Participants from the public sector indicated that much of the coordination that exists between service providers comes about as a practical ad-hoc necessity when implementing services. Public sector participants saw forums such as the Joined Up For Jobs provider forum (where information is shared) as a way of *"integrating practice"* (public sector organisation) and fostering coordination through the development of personal relations. One public sector participant pointed out that personal relations affect coordination between providers:

> *"Personal relationships between case workers in different agencies I think are probably quite important in terms of them making decisions on where the client should go."* (Public sector organisation)

One third sector participant agreed, but also noted that these relations can also have a negative side, in the sense that decisions might not always be strategic, and a number of services that could be beneficial might be excluded either through ignorance or due to misconceptions about providers. In terms of the effectiveness of forums, third sector participants emphasised that these do not always foster coordination: barriers include a lack of clear outcomes and strategic influence, an imbalance of power resulting from the principal-agent relationships, and the effects of competition for contracts. For instance, one participant suggested that coordination between providers in the Joined Up For Jobs Forum is stifled as a result of the control that Capital City Partnership has over the employability strategy, and the dynamics that this creates over relationships.

Participants from all sectors emphasised that contractualisation based on competition and on job-outcome payments erects barriers to coordination, and can end previous partnership-working and connections built between organisations. One participant suggested that targeted funding can lead to organisations not referring clients on to other appropriate providers, since that might result in the loss of clients, and a resultant loss of income:

> *"The best journey for the client might be to move from one agency to another agency … But if each of these agencies has separate outcome targets, then it can be a tendency … for agencies to actually hold on to their clients, because that represents potentially an income"* (Public sector organisation)

Other participants also assert that they would not want service-users going to other providers if they depend on that person for their funding. Accordingly, competition through outcome-based payments appears to inhibit coordination, even though coordination is encouraged. Contractualisation might also be inefficient over time as, where organisations perform as desired, it appears senseless to continually restart a tendering process.

One third sector participant feared that situations based on principal-agent contractual relationships create an imbalance of power rather than coordination. Nevertheless, participants from all sectors considered that some contracts do in fact facilitate coordination between providers. For instance, public and third sector participants opined that contracts built around case management support systems help coordinate

the journey for service-users and promote referrals to other services. Coordination achieved through consortiums (i.e. contractual relations) created in order to bid for funding, such as Big Lottery or Scottish Government funding, is cited as an example of multi-stakeholder coordination, the Hub contract being a key example. One participant suggested that contractual arrangements reduce competitive conflicts and promote a level of coordination that informal arrangements are unlikely to ever achieve:

> *"It seem to us jointly that you will get far more actual on-the-ground integration from a contractualised arrangement than from another ten years' worth of encouraging collaboration … part of that was about reducing the actual and, most cases in my view, the perceived conflicts around the outcomes payments and transferring people over."* (Public sector organisation)

As regards the Hub, some public and third sector participants note that the project is still in its infancy, and consider that such a case management approach can only work if organisations are not competing for funding, and where performance-management facilitates the coordination, referrals, and movement along the pipeline as intended. One solution articulated by public sector participants was to encourage outcome-based funding, with the important proviso, however, that job-outcomes not be the only outcomes required, or even desired. One public sector participant implied that providers have little confidence that peer-to-peer referrals take place as they should, and that work needs to be done to increase trust between peers:

> *"We have to make sure that we are reassuring other agencies that we are not holding on to those clients but we are making sure that we are passing them on."* (Public sector organisation)

Another public sector participant equally expressed that is about building trust across organisations that have often operated under outcome-based funding, making sure there is awareness of other providers work and that a culture-shift is required in order to make referrals standard practice.

One third sector participant suggested that competition is capable of promoting coordination and reducing duplication and waste:

> *"In the context of declining resources from the public sector … if they want to … continue to deliver decent levels of services, then they are going to have to be integrated."* (Third sector organisation)

However, another third sector participant considered that, especially where resources are scarce, competition might discourage coordination.

Participants from all sectors observe an overcrowding of providers in employability policy. Third sector and one public sector participant highlight that this can create duplication and confusion, and that the increased competition can create a barrier to coordination. Participants from all sectors indicate that the rationalisation of the providers' landscape—created by offering bigger contracts that force organisations together—could facilitate coordination. However, public sector participants stressed that rationalisation can also have unintended consequences, such as reducing the diversity of provision and so creating a *"mono-culture"* (public sector organisation), which could in turn hinder accessibility to services.

Many disadvantaged individuals are especially-hard to reach, and may need a variety of opportunities to engage with employability services. According to one public sector participant, because people approach services from different routes and having had distinct experiences, offering a variety of service providers can allow more individuals to be accessed:

> *"In some cases an individual will not approach the jobcentre or colleges because of bad experience in the past, and having a number of different organisations will allow for individuals to be picked up and integrated in, if you want, 'mainstream' services."* (Public sector organisation)

Rationalisation could have an impact on the suitability of services, according to a third sector participant, because there may be a tendency to create generalist services that tend to be unable to effectively support service-users' heterogeneous needs. Due to its size and nature, the Work Programme has brought about rationalisation of services for the long-term unemployed. According to some private sector participants, the Work Programme is a wide network of subcontractors coordinated in the provision of services. Nevertheless, some third sector participants express frustration that the subcontracting

model in the Work Programme has not worked for them and the level of referrals they expected to receive has not materialised. As one participant articulated:

> *"It has been an extremely frustrating experience to trying to engage with them [Work Programme primes] … Because they were very happy to name us in their bid, but … we have got nothing out of it."* (Third sector organisation)

Other participants voiced this lack of referrals which, together with funding cuts and the new focus of local provision away from the long-term unemployed due to the Work Programme, impacts on levels of funding available to local providers. Participants have arranged Service Level Contracts with Work Programme primes that secure them a stable number of referrals and therefore funding; some others would like to arrange this type of agreement. Participants complained that primes sometimes expect providers to deliver services without charging. However, participants from the third and private sector mentioned that the issues surrounding the Work Programme and local provision arise as a result of two factors: firstly, limitations with the Work Programme's funding arrangements which hinder specialisation in provision; secondly, the fact that the Work Programme was never intended to support the third sector.

Participants from the public and third sectors suggest that coordination between providers is hindered by a lack of evidence about the type and pace of support that works for individuals, and that increased data sharing might address this. Such evidence was said to be important for both policy-makers and service providers if they are to be able to plan effective support and share a common working methodology. One participant explains:

> *"We need to know what is going on, to plan good services that are not replicating. Data sharing is very important, to be able to use our resources better."* (Public sector organisation)

This quote suggests that data sharing and having an awareness of the services available through other providers facilitates improved use of resources. One participant suggested that once it is known what type of support works, more time should be dedicated to ascertaining the stage that the person is at, and putting appropriate services in place, rather than going *"quickly to solution mode"* (public sector

organisation). The Hub has allowed the electronic sharing and transferring of data between providers to the extent that clients see the service as seamless. By analysing the data entered by case workers into Caselink, a case-based database that the principal party is able to access and query, it may be possible to examine effective journeys along the pipeline. However, one third sector participant complained that, since the principal party controls the database, and service providers are unable to query it, the database resembles more a reporting and monitoring tool than one for the sharing of information and learning.

The short-term nature of funding was cited by a public and a third sector participant as a barrier to coordination, with one also suggesting that continuity of service-provision also suffers:

> *"A barrier to integration is annual budgeting* [we are] *trying to get multi-year* [2 year] *budgets so continuity of funding and relationships* [can be achieved]*."* (Public sector organisation)

A third sector participant remarked that short-term funding creates a barrier to service planning and coordination, as it does not take into account the time required for some individuals to receive the required support, or the time taken to apply for the funding, and streams. For example, in a pipeline approach, it is fundamental that the services identified as necessary can be provided at a pace that reflects clients' needs. Long-term funding, on the other hand, was said to facilitate coordination, increase the sustainability of service providers, and benefit clients who require long-term support.

In summary, there seems to be a common recognition of the challenging financial landscape for organisations delivering employability related services—especially for the third sector—due to reduced public expenditure and a lack of Work Programme referrals. This financial landscape, coupled with the fact that much of the funding is performance-based and competitive, are barriers to coordination between service providers.

6.3 – Summary

Through a number of structures, institutions, and actors, because of the importance of this policy field, the Scottish Government keeps a steer on local labour market policy.

Policy from the three administrative levels operates in a field populated by a multitude of actors that implement and deliver policies and initiatives. The council's Economic Development unit is the most prominent local actor developing policy, while Capital City Partnership implements it via grant-funding and contracts with a number of service providers. It is responsible for an employability and skills pipeline strategy that has been championed by the Scottish Government. The strategy provides a likely five-stage path towards sustainable employment, and maps the services necessary in each of these stages. Even though many of the policy documents analysed referred to the need for, and benefit of, partnership-working, in practice, coordination seemed difficult to achieve.

The different administrative levels develop and implement labour market policy at local level. These policies align with each other. The lack of higher levels of coordination is a consequence of the limited flexibility of national policy and the different drivers within administrative levels, which results in different policy goals and service providers. Due to this alignment, the local level develops policies that fill the gaps and wraps around national and devolved government policy. For instance, the introduction of the national Work Programme initiative for the long-term unemployed has influenced devolved and local strategy, which now focuses on the short-term unemployed. It has also impacted on local service providers, especially third sector organisations. Part of this, is a result of the Scottish Government practical, ideological, and perhaps political stand on the relation between the Work Programme and directly and indirectly funded local provision. In this and other areas, the devolved government also influences local labour market policy. Even if the local government has a level of discretion through structures created by the Scottish Government, local labour market strategy is squeezed by national and devolved administrative levels, and framed by scarce resources. There are instances of coordination between administrative levels, although this is often just information-sharing or in areas where actors have discretion, and the benefit to all parties are clear.

In Edinburgh, economic development and employability are integrated within the same council department. Although local structures are in place in order to facilitate coordination across policy areas, in practice, coordination seems to happen during service delivery as an ad-hoc necessity rather than by virtue of strategic planning.

However, policy areas work in silos and coordination is difficult due to their different ethos, funding-streams and traditional boundaries, as well as scarce resources and protectionism. With an absence of trust and common understanding between personnel working in distinct policy areas, and a lack of shared objectives and data on what works, coordination is unlikely to emerge. The local employability and skills pipeline strategy aims to link various policy areas through contracts to tackle individuals' barriers to sustainable employment. The black-box delivery model of the Work Programme has failed to produce extensive coordination between policy areas, due to the programme's financial model and the Scottish Government's stance on the Work Programme's access to local provision. The Work Programme's lack of success in achieving job outcomes for those 'harder to help' is perhaps indicative of this limited coordination.

Personal relations and proximity facilitate coordination amongst stakeholders, although, perhaps due to an absence of formal channels to promote co-ordination, this approach can have the effect of preventing coordination between stakeholders outwith the network. Competition for contracts—especially where funding is scarce, short-term and based on job-outcome payments—creates protectionism and are barriers to coordination. However, contracts and case management initiatives can facilitate coordination, such as the Hub contract that is part of the local employability and skills pipeline strategy. Overcrowding of the provision landscape can also hinder coordination. Scarce resources and bigger contracts such as the Work Programme can bring actors together and rationalise the provision landscape. However, this can also hinder the possibility of coordination and impact negatively on the quality, specialisation, and accessibility of service provision.

How specific to Edinburgh are the type and level of coordination and the hindering and facilitating factors found in this case study, is only possible to know if other local authority is analysed. The same policy area and the same organisational field are studied in Cardiff in the next chapter (Chapter 7).

Chapter 7. Cardiff Case Study

In this chapter, the findings from the Cardiff case study are presented. Cardiff is one of the 22 Local Authorities in Wales. Wales has fared similarly to the rest of the UK in the economic crisis, but rates of unemployment have been consistently higher than in the rest of the UK since 2007. In 2012, Cardiff's unemployment rate (11 percent) and economic inactivity rate (27.9 percent) were higher than the Welsh average (see Chapter 5 Figure 5.5) and higher than the rates in Edinburgh. In Cardiff, 4.2 percent of people were claiming Jobseeker's Allowance in 2012.

As in the Edinburgh case study (Chapter 6), the findings are reported in a descriptive manner, as per the analytical technique chosen (see Chapter 4 Section 4.2.2), with the aim of identifying causal mechanisms for the existence or absence of coordination. This data will be analysed comparatively in Chapter 9. The three domains of reality of a critical realist approach are explored. The main questions guiding the chapter are: What are the administrative structures and priorities, and who are the key actors, for labour market policy at local level? Do the administrative levels, policy areas, and various stakeholders coordinate when implementing and developing labour market policy? What is the level of coordination, in which settings does it occur, and what are the reasons for the existence, or lack of, coordinated action?

The chapter follows the same structure as the Edinburgh case study. First, the labour market strategy, priorities, and key stakeholders in Cardiff are presented. The second section explores the level of vertical (between administrative levels) and horizontal (across policy areas and amongst stakeholders) coordination in Cardiff. The chapter ends with a summary.

7.1 – Labour Market Strategy in Cardiff

The main questions guiding the section are: What is the local government set up and how does it operate in relation to labour market policy? Which actors are the key players in this policy area? Which employability issues are prioritised by local government and why are certain strategies chosen? These questions are explored in the following three consecutive subsections.

7.1.1 – Local Administrative Arrangements

In 2010, Cardiff launched the Integrated Partnership Strategy called What Matters, which encompassed four separate strategies: community; health, social care, and wellbeing; children and young people; and community safety. This integrated partnership model is overseen by the Cardiff Partnership Board and the Cardiff Leadership Group. The latter is constituted by the leader of the council, cabinet members with responsibility for each of the strategic areas, and other stakeholders, including public, private and third sector bodies (Cardiff Partnership 2011, Cardiff Partnership 2013). What Matters builds on the previous neighbourhood management model and, according to the partnership, aims to embed strategic and operational collaborative working and to respond to local needs (Cardiff Partnership, 2013). Six Neighbourhood Management Teams develop action plans focussed on tackling issues specific to their locality, and the recent Integrated Partnership Strategy in Cardiff ties together these neighbourhood issues. Cardiff Council's Families First Department is responsible for What Matters (Cardiff City Council, 2011). What Matters has seven outcomes that partners aim to achieve by setting priorities, which also contribute to other outcomes. The strategy aims to connect various problems and solutions across the city (Cardiff Partnership, 2011). The outcome that focusses on the economy is concerned with people's prosperity, learning, and employment. Throughout the strategy, references are made to the need for collaboration between various organisations if issues such as child poverty are going to be addressed (Cardiff City Council 2011b, Cardiff Partnership 2013).

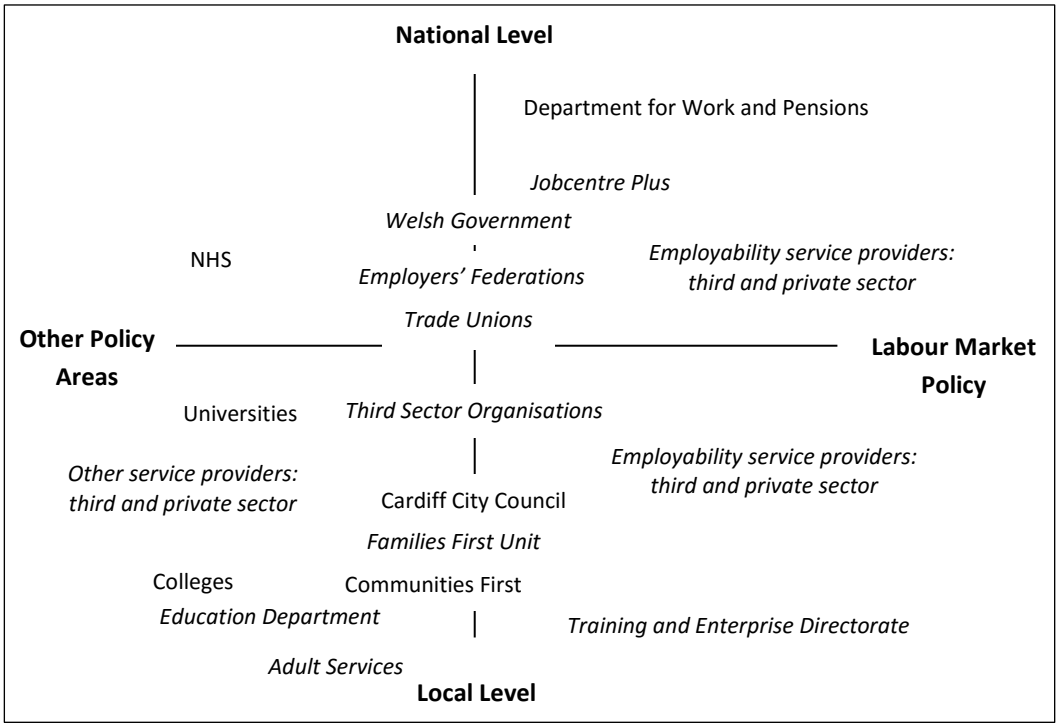
There are seven citywide programmes managed through Programme Boards that tackle the priorities and statutory responsibilities of the council (Cardiff Partnership, 2013). According to some third sector participants, while previously all the partnerships were thematic (e.g. young people's partnership), this is no longer the case. Those frameworks that still exist feed into neighbourhood groups that look at all these issues, and so, according to one third sector participant, all these strategies come together at local and city level. Only two unemployed groups (young people and those with disabilities) had specific strategies directed to them; other strategies to tackle unemployment were generic, and based around themes such as families (Families First) or communities (Communities First). According to the What Matters Annual Review in 2013, strategic

partnership takes place alongside various daily collaborative working arrangements and even though multi-agency working has progressed since Cardiff Partnership was put in place, greater join-up between various programme boards is needed (Cardiff Partnership, 2013). Participants from the third and public sector emphasised that the What Matters strategy needs to link more to some wide national initiatives operating locally (such as Families First), as well as linking more to other services and stakeholders. These opinions seem to be supported by the Cardiff Partnership which, in the What Matters Annual Review, suggests that *"a formal approach to partnership engagement is required to ensure work is as joined-up as possible and that* [there is] *a clear understanding of where gaps in service exist and where value can be added"* (Cardiff Partnership 2013, p.57).

7.1.2 – Local Actors

In this subsection, some of the key national, regional, and local actors involved in policy development and implementation in labour market policy for the long-term unemployed in Cardiff are explored. Some of the key actors are displayed in Figure 7.1.

Figure 7.1 – Some of the labour market and employability policy actors in Cardiff



Source: Author

The vertical axis in the figure represents the administrative level, with the national level at one extreme and the local level at the other; the horizontal axis represents policy areas, with labour market policy at one extreme and 'other' policy areas at the other extreme. There are no absolutes in the figure and actors are displayed in a continuum. Actors shown in italics are the organisations that have been interviewed in this thesis. The role of some of these actors is explored next.

The Department for Work and Pension develops national labour market policy for the long-term unemployed, and Jobcentre Plus and the Work Programme providers are key actors in its delivery (see Chapter 2 Section 2.2). Jobcentre Plus was cited as an important player locally even though, according to one public sector participant, it appears to have withdrawn services. In Cardiff, the Work Programme prime providers are Working Links and Rehab. Working Links are one of the providers in Wales, Scotland, and one other contract area in England. Rehab is a provider in Wales and in one contract area in England.

The Training and Enterprise Directorate within the Cardiff City Council has responsibility for employability. It has five centres based in locations that have particular issues around poverty and general deprivation. Individuals attending these centres do so on a voluntary basis, other than those directed there by Jobcentre Plus who attend under compulsion. Nevertheless, it seems that the Local Training and Enterprise Directorate does not develop labour market policy but implements the policy coming from the Cardiff Partnership, which is filtered through council directorates and neighbourhood management structures. There are a number of other service providers in the area of labour market policy. These are from the public, private and third sector.

7.1.3 – Local Government Priorities

In Cardiff, individuals who are out of work can access national labour market programmes as well as Welsh Government and other local initiatives. Labour market policy governance in Great Britain is characterised as localised centralism, because it is developed by the Department for Work and Pensions, and implemented with limited discretion on service provision by Jobcentre Plus and external contractors. The Welsh Government develops policy strategy at local level through a number of initiatives such

as Families First, Communities First, and Flying Start, which have to be implemented by all local authorities.

Cardiff social policy revolves around aiming to tackle child poverty and the income gap. Participants were of the view that Cardiff has an employability strategy, and a some third sector participants asserted that What Matters is such a strategy. Participants from the private and public sector commented that the council's Economic Development unit does not deal with employability but more with inward investment and economic growth; participants from the public sector advised that the council unit dealing with employability is the local Training and Enterprise Directorate. However, there was a common feeling by a mixture of participants, and supported by the document analysis, that there is no clear and distinct employability strategy with a dedicated department in Cardiff (Cardiff City Council, 2012). The reasons cited for that lack of employability strategy were a result of: the emphasis directed towards partnership-working rather than employability; the council's holistic strategy on tackling poverty and well-being, where employability is just one component of a bigger package of measures; and the greater labour market role of the national and devolved government.

Participants from the public sector considered that the aim of the local employability strategy is to tackle the multiplicity of barriers to labour market inclusion and to move people into paid employment or, in many cases, closer to the labour market. The local strategy was referred to as smaller, more labour-intensive, and with a longer timescale than the national strategy. Participants from the private sector suggested that the national strategy for the long-term unemployed delivered by the Work Programme is about sustaining employment, which is a change from previous activation programmes, such as, especially, the New Deal. It was stated by a third and by a public sector participant that the employability strategy does not focus on specific groups, apart from the strategy around young people classified as NEET (Not in Employment, Education or Training) based within the Education Department in the city council.

Families First and Communities First are local social programmes. Families First is the Welsh Government Early Years initiative for families with children under four years of age, and it is targeted to some of the most deprived areas in Wales (Welsh Government, 2013f). A principal aim of Families First is to promote multi-agency partnership-working

(Welsh Government, 2013g) through two features. The first involves coordination of service delivery through a 'case worker team' based around the family model, which aims at bringing together a range of professionals for each family (Cardiff Partnership, 2013). The second feature is the use of more strategic joint-commissioning geared to aligning the Families First programme with other funding streams, and the commissioning of less quantity of projects (Cardiff City Council, 2011). The programme introduces a link between employability and improving family income and wellbeing, as well as a number of other targets, from prevention to protection, alongside employment (Welsh Government, 2011a). One of the six Families First packages is geared to sustaining employment. Within Families First, the council is the lead partner and commissions services under the guidance of delivery groups. Partners include other departments of the council and other public and third sector organisations (Welsh Government, 2013e). The services, which are outcome-based, are commissioned through a competitive process to service providers (Ginnis et al. 2013). Each of the packages has a lead public or third sector organisation provider; the organisation leading the sustainable employment package is a charitable organisation (Cardiff Partnership, 2013). Communities First, launched in 2001 similarly targets the most deprived areas (Welsh Government, 2013d) and, in Cardiff, is focused on four areas. Participants pointed out that the Communities First and Families First programmes link to Jobs Growth Wales, which is the Welsh Government's employment agenda and the successor to the Future Jobs Fund. Participants from the public sector considered that Future Jobs Fund had been successful, having focused on those further from the labour market and having provided support for a significant period of time, including financial support to employers. On the contrary, according to one participant, Jobs Growth Wales has neither the budget nor the brief to tackle the issues relating to unemployment.

In summary, there does not seem to be a stand-alone local employability strategy in Cardiff, since employability is subsumed into What Matters as the main integrated strategy at local level overseen by the Cardiff Partnership Board. The Training and Enterprise Directorate implement the policy coming from the Cardiff Partnership. The main actors developing and delivering national and local labour market policy are the Department for Work and Pensions through Jobcentre Plus, the Work Programme

primes and other external contractors, and the Cardiff Partnership and public and third sector organisations delivering Families First and Communities First packages.

7.2 – Coordination in Employability Policy

In this section, participants' opinions on the extent of the coordination that takes place in labour market policy for the long-term unemployed in Cardiff are presented. Many of the strategic documents cited in Chapter 5 mentioned coordination and partnership-working as an aim to be achieved in labour market policy implementation. Coordination might occur in three different areas: between administrative levels, across policy areas, and amongst service providers. Each is explored in turn below. The questions guiding this section are identical to those that guided Chapter 6: Do the national, devolved, and local administrative levels coordinate when implementing and developing policy? Do labour market policies coordinate with other policy areas such as health, childcare, housing, and economic development? Do public, private, and third sector organisations coordinate? For each dimension, the objective is to ascertain the level of coordination, the settings where it does occur, and the reasons for the existence, or lack, of coordinated action.

7.2.1 – Vertical Coordination: Administrative Relations

Participants from all sectors often stated that coordination between national, devolved, and local administrative levels is limited, for a number of reasons, including devolution arrangements. One participant considered that different administrative levels having responsibility for particular policy areas produces some divergence in inter-level relationships:

> *"There is a mismatch I would say. It's quite complicated because certain things are devolved to Wales and certain things aren't."* (Private sector organisation)

Participants from all sectors considered that the differing policy objectives of the various administrative levels created a barrier to coordination. It was pointed out that, while national policy focuses on quick labour market entry, local strategy aims to promote voluntary movement towards, as well as entry into, the labour market. One participant expressed that view that this can create tensions between actors:

> *"The Welsh Government has a very different policy line in some issues from the UK government. So that's a significant source of strain sometimes …"* (Third sector organisation)

Nevertheless, participants from the public and third sector opined that Jobcentre Plus and the Welsh Government often work together around a number of forums and collaborate on a number of initiatives. One example of a coordination forum is the Joint Employment Delivery Board brought together by the Welsh Government and the Department for Work and Pensions. This Board includes Jobcentre Plus, local government, Welsh Local Government Association, the Work Programme providers, the Wales Trades Union Congress, the Confederation of British Industry, and the Welsh European Funding Office. Nonetheless, according to one private sector participant, this attempt to join up administrative levels lacks drive and has not been particularly dynamic or effective:

> *"I think it needs to have a bit more of an impetus … it hasn't resulted in anything being joined up. People come to the meeting but there … needs more tangible outcomes to be agreed between the partners really."* (Private sector organisation)

The Board is responsible for a few joined-up initiatives, but one initiative highlighted by participants from all sectors, and by the document analysis (Joint Employment Delivery Board, 2010), is the Single Employer Offer for Wales. Another was the extension of the Cardiff shopping centre, which brought stakeholders operating at various administrative levels together in collaboration. More generally, participants said that, because they lack impetus, some boards are neither effective nor dynamic. Therefore, although various administrative levels and organisations come together, they do not necessarily result in co-produced and co-agreed outcomes.

Participants from the private and third sector emphasised that barriers to coordination because of different policy lines and ideologies were particularly evident with regard to the Work Programme. The comments of one third sector participant highlight an apparent frustration over disagreement on the efficacy of the Work Programme's approach to getting people into work:

> *"The way the Work Programme is set up, it's got failure built in from the outset, with a lack of understanding of how you get people … to be ready for work or to be confident enough to look for work."* (Third sector organisation)

Public and private sector participants said that the lack of links between Work Programme providers and local or Welsh government levels, was a result of a Welsh Government's decision to prevent Work Programme clients accessing services funded directly or indirectly by the Welsh Government. The Welsh Government justified this position on grounds of avoiding double-funding or subsidising the Work Programme. There has been, however, a slight modification in this stance: Work Programme clients can access funding for self-employment, including training that is funded via the European Social Fund, Jobs Growth Wales, or anything that is pre-employment such as apprenticeships; once they are in employment, they can access any programme regardless of the funding. Participants remarked that these changes resulted from the lobbying by Work Programme primes of the Welsh Government, which continued ahead of the European funding round in 2014, with the aim of achieving a more strategic and joined up approach to various funding streams. Even though some services have been coordinated however, participants stressed that the current situation makes Work Programme service delivery difficult for employers and customers. As one participant explained:

> *"That makes it very frustrating; and customers of course, don't understand that because they just want to apply for it. So sometimes they feel singled out."* (Private sector organisation)

This quote implies that the situation concerning the Work Programme, impacts on clients, with participants saying that people fall between service gaps as a result. Participants from the private sector articulated the difference between subsidising and adding value, and making the best use of the money across the full policy landscape.

The relationship between national actors and the local level is mediated by the Welsh administration. Participants from the public sector remarked that coordination between the devolved and local government could be better. According to them, coordination problems arise because the devolved government tends to implement initiatives without coordinating them and without coordinating with the local level. Discussions on

what and how programmes would benefit the local level were said to be limited. To illustrate this point, participants referred to the Families First current restructuration that aims at addressing, amongst other things, the lack of connection between the programme and other local initiatives. This limited coordination was mentioned too with reference to the Communities First programme, where workers with various remits have no connection with council departments' specific to those remits. One participant was critical of a perceived lack of influence by local government on the initiatives of the devolved Assembly:

> *"I'd like the opportunity to get in a room … and think through some programmes with people at the Assembly, because that to me is a closed door. You don't get to meet the people that are making these policies."* (Public sector organisation)

Participants considered that, as a result, the speed and direction of programmes are, in some cases, inadequate. In some instances, the initiatives are implemented via contractors with no local government input, while on other occasions the local level is involved in the implementation but with only limited discretion and flexibility to adapt the services to local client groups and needs. One participant stated however that there seems to be greater coordination between administrative levels in relation to the strategy to tackle unemployment among young people.

This limited local flexibility and discretion means that some local strategies have stagnated, and the devolved government has not driven them forward. One participant suggested that the motive for the limited local-level discretion was unclear:

> *"Whether it is a matter of trust or control, or both of these things, we don't know but we don't have that level [of discretion] quite as yet."* (Public sector organisation)

It was considered by private and public sector participants that while some central leadership is necessary, there needs to be enough room for local flexibility, but that this has been lacking. Public sector participants expressed the view that even though the local level has autonomy over the programmes it funds, this autonomy is framed by a context of tight budgets and resources. Thus, even when strategic documents present ideas that local authorities could implement, in practice, funding makes this untenable.

One example of coordination mentioned by private and third sector participants was the Council for Economic Renewal launched in 2010 with the aim of bringing the Welsh Government together with the private sector, third sector, and local government (Council for Economic Renewal, 2010). Participants affirmed that this forum could play an important role as it advises the First Minister. However, it was considered that the forum focuses mainly on economic development and, while employment is brought up as a procurement issue, it is not the central focus (Council for Economic Renewal, 2013). A participant from the private sector opined that, by being more re-active than pro-active, the forum does not necessarily lead to outcomes.

In summary, even when examples of vertical coordination exists, coordination between administrative levels appears to be limited due primarily to the devolution settlement, policy objectives and ideologies, political agendas, and limited local discretion and avenues to influence policies. These tensions are seen in the implementation of the Work Programme, even though a position has been reached that facilitates some coordination between services at different administrative levels.

7.2.2 – Horizontal Coordination: Policy Areas Relations

Participants from all sectors proclaimed the importance of understanding the complexity and multitude of barriers to employment faced by some people (including young people), and therefore the need to link services that address those issues. According to participants from all sectors, there is limited coordination across policy areas, during both policy development and the operational level. Participants indicated that giving administrative levels responsibility for different policy areas poses a barrier to multi-dimensional coordination.

> *"Devolution is set up in a very peculiar way in Wales. … it's very jagged, we get certain responsibilities … and what's happened is you've ended up with is a settlement that's made it beneficial to focus on things like health spending and real obvious social issues without the economic development issues coming before it."* (Private sector organisation)

This quote suggests that the practical effect of a devolution settlement that devolves responsibility over some areas but not others, is that the government tends to prioritise treatment of the symptoms of a failing economy over the causes of that failure.

Participants stated that government departments work in silos or cul-de-sacs, and although acknowledging that good work goes on in various departments, limited coordination restricts the effectiveness of the policies, and wastes scarce resources. Limited coordination was said to be the case for both the Welsh and the local government levels. One participant explained:

> *"Within the Welsh Government there isn't a wonderfully long track record of departments working together in a joined up way … you have housing there, you have health and you have others. They're not joined up but they could be."* (Third sector organisation)

Another participant opined that, in a small country like Wales, despite it being fairly easy to bring together the various policy-area representatives, coordination has not been achieved. Participants highlighted that even though they would like to coordinate with other council services, *"rules and etiquette"* (third sector organisation), territories and boundaries, and structures made that difficult, as departments appear divorced from each other and every unit looks after *"their own little bit"* (public sector organisation). Because there are no people to *"float between departments and join them up"*, unless people working in departments have peripheral vision, coordination does not happen (third sector organisation).

Participants from the public sector observed that while coordination between policy areas does exist, it tends to occur in a short-term or ad-hoc manner, as a result of practical necessity rather than through a planned systematic strategy. As a result, accessibility to services when required is difficult for some people, especially for those with multiple issues, with the risk that they are liable to fall between service gaps. As one participant articulated:

> *"A client who … has a substance issue and a mental health problem, it is very difficult to get … services to engage with them … because they don't fit into their norms as these clients have multiple problems."* (Third sector organisation)

Third sector participants said to be a product of services being organised around issues or themes, rather than around individuals and their needs. This could be a result of various department or areas having specific and different emphases.

Participants from all sectors considered that the mode of service funding, whereby funds are allocated to departments, created barriers to coordination: departments tend to wall themselves off from others, and to plan strategies around budgets and their own statutory responsibilities, rather than people's needs. As one participant expressed:

> *"The money gets separated into different departments, and then they allocate according to their own priorities. So … there's no central mix where you get people bidding for projects. Health projects won't take economic development issues into the mix."* (Private sector organisation)

Participants from all sectors refer to an environment of decreasing budgets as a barrier to coordination. Participants suggested that departments become more protective of their responsibilities and roles in times of budget pressures, and, in practical terms, have less resources to dedicate to coordinating activities and building relationships. One participant from the public sector observed, however, that funding can bring actors together usually around an initiative or programme:

> *"It's often money that is the catalyst for people to come and say 'can we work together?' which means: 'can I have some of your money?'."* (Public sector organisation)

One private sector participant suggested that coordination might be improved by having a central fund to which departments must bid for projects or elements of projects, or by having a finance department with a bigger and stronger coordinating role, with a core remit to assess value for money. Participants from the public and third sector considered that, ideally, services and funding should be developed around individual's needs rather than around departments and bureaucracies.

According to participants from all sectors, while lack of focus can hinder coordination, projects with a specific focus can bring various organisations together. These projects tend to emerge through practical need and from the innovative solutions aligned to the various objectives of the organisations involved. One third sector participant highlighted

that even when practical needs bring organisations together during implementation, different policy objectives and values could make coordination difficult during policy development. Participants from the public and third sector remarked that having a focus, strategically created at policy-development level that is shared between departments and levels, can facilitate coordination. It can encourage trust between organisations and their processes and services, challenge perceptions, and overcome frictions that might exist.

Departments could come together to provide a coherent and holistic package of support for individuals, groups, or sectors. This was said to have occurred in relation to dealing with the issues around digital exclusion, where departments such as housing and health have come together to look at its impact across the board. One participant asserted that, because employment affects health, poverty, and other areas, there is a lack of an employability or employment nucleus or core outcome that one department pushes forward and various departments can rally around.

Participants from all sectors stressed the importance of linking labour market policy to other policy areas such as poverty and social inclusion, education, and economic development. Education and labour market policy seem to be linked for young people through, for example, the Welsh Baccalaureate, which is an overarching qualification that combines personal skills and qualification that higher education and employers want young people to have when they leave school (WJEC, 2012). However, participants pointed to a deficiency of labour market information, especially for people aged 18 and over, and for those already in employment (public and private sector), as well as for the more disadvantaged elements of the labour market (private sector participant). Poverty, and children and families policies link to labour market policy through the Families First programme that, according to public sector participants, introduced a clearer link between employment and improving family income and wellbeing. One participant suggested that the Welsh Government's strategy recognises a clear link between child and household poverty:

> *"*[The] *Welsh Government's strategy for tackling child poverty is that you couldn't take a child out of poverty without taking the family out of poverty".* (Public sector organisation)

Other participants go further, and link household poverty and employment. One public sector participant considered that, while Families First previously took account of the link between those policy areas, this has become lost; it is hoped however that current restructuring of the programme will address this.

Participants from the public and private sector highlighted the crucial role of economic development in employment creation and labour market inclusion. This is especially important in Cardiff, due to the highly competitive labour market, in which long-term unemployed are more disadvantaged than other unemployed groups:

> *"It is a realisation … that anything that Cardiff wants to do to tackle unemployment needs to be aware of the challenges that are created by the labour pool in Cardiff."* (Private sector organisation)

The importance attached by participants to the economic development role in a local employability strategy stands in contrast to its focus on inward investment and business growth, and its rather low visibility within the council. The lack of an evident economic development and labour market strategy in Cardiff was said to be a result of the devolved arrangements in Wales, the inactivity by the Welsh government, and the limited discretion of local government. Private sector participants considered the link between employers and labour market policy as crucial.

One example of coordination between policy areas cited was the Wales Employment and Skills Board set up by the Welsh Government in 2008 with the aim of providing a forum for employers to share their perspective in employment and skills matters with Welsh Government Ministers (Welsh Government, 2014). The board brings together Welsh Government officials with education and other policy areas, employer representative bodies, Wales Trades Union Congress, and employers (Welsh Government, 2014). However, while one private sector participant submitted that the board is a valuable coordination tool that informs policy development and, because those around the table are highly engaged, is effective, another private sector participant considered it was neither dynamic nor effective.

It appears that in some departments in the council there is an increased focus on employability measures when developing and implementing services, even if not

coordinating explicitly with the council's employability unit or having a strategy for coordination. According to some public sector participants, there seems to be some convergence in some areas of the council towards employability objectives through the introduction of guidelines or outcome measures focused on labour market engagement. One participant suggested:

> *"Over the last two years we've actually began to focus on, developing outcomes for people as supposed to [focusing on] what they can't do."* (Public sector organisation)

Nonetheless, even when specific coordination actions occur, participants from all sectors considered that there is room for improvement. Participants provided some examples of where formal structures facilitate coordination, including, at local level, What Matters and the neighbourhood management teams. The Welfare Reform Task Group, initiated by the Cardiff Partnership Board, was also cited as a coordinating forum that brings together various actors across policy areas (Community and Adult Services Scrutiny Committee, 2013) in order to share information and plan the services needed *"to adapt to the impact of the welfare reform"* (third sector organisation). However, it was stressed that creating structures for coordination does not always work because some of these structures are not inclusive or because actors do not participate in them. For instance, the Local Delivery Groups seem to encourage coordination, although this forum does not include service providers and the employment focus is linked to what the local authority is doing, while links to other initiatives are not obvious. Two participants from the private and third sector stressed that in some cases structures can inhibit coordination.

The coordination between the Work Programme and other policy areas was said by private and public sector participants to be limited, in part as a result of the Welsh Government guidelines on the Work Programme's access to services funded directly or indirectly by devolved government, including European funds. Work Programme providers seem to link with services funded other than through devolved or local administrations, pay for services that are seen as necessary, or try to develop services themselves. It was difficult to assess services provided and bought by Work Programme primes.

To sum up, the general opinion appears to be that only limited coordination exists between labour market policy and other policy areas. This is in part due to the devolution settlement, the setup and funding of departments which contributes to 'silo-working', and also as a result of the low visibility of a labour market policy strategy at local and devolved level. A number of structures, forums, and initiatives facilitate multi-dimensional coordination; nevertheless, joined-up working between labour market policy and economic development, education, and social exclusion at local level could be improved.

7.2.3 – Horizontal Coordination: Relations between Service Providers

Participants from the public and third sector, and one from the private sector, observed that there is a need for greater coordination and strategic interplay between service providers, even though there seems to be an emerging commitment to coordination. Many organisations are aware of the provision that exists locally and refer clients to services. Participants from all sectors said that different objectives and processes amongst organisations can be a barrier to coordination:

> *"Sometimes there is an absence of understanding that leads to an absence of trust between the sectors … We don't have an interplay between sectors. If we had a more balanced number of contracts, then I think there would be a better understanding of the third sector and private sector organisation."* (Third sector organisation)

This quote suggests, and other participants also mentioned, that a lack of trust on the motives, values, and quality of services or organisations are often barriers to coordination. For instance, participants from the third sector viewed the private sector as trying to make as much money as possible without regard to personal outcomes. One participant implied that the public sector is more capable of providing effective services that the private sector, due mainly to the motives and competence of the latter:

> *"I don't have a lot of time for a lot of private providers in terms of their ability to deliver or even the rationale or motive behind it really. I think you could actually deliver much, much better, much more thoughtful and in a much more humane way as well."* (Third sector organisation)

Conversely, participants from the private sector voiced concerns that, although perhaps well-meaning, the third sector is inefficient and ineffective, unprofessional, and disorganised. One participant implied that while the third sector does have a niche role in dealing with some of the more complex cases, the sector's utility is exaggerated:

> *"I do think they* [third sector organisations] *add value when they do things … for perhaps harder to reach individuals ... They are definitely part of the mix, but I think they … are treated as a bigger solution to the problem than they actually may be sometimes."* (Private sector organisation)

Participants commented that the third sector has good links with the Welsh Government and is one of its main provider partners, possibly because the Welsh Government values the sector and the public sector more than the Westminster Government does. Providers tend to coordinate with organisations closely linked to their operations, for instance, the education department with local training providers. Coordination was said to occur due to practical needs to solve a problem or advance an interest, such as to find vacancies for their clients, to make sure vacancies are filled (which is the objective of the link between Jobcentre Plus and home social care providers), or to meet the demand for care-home staff (which is the aim of collaboration in pilot courses between the National Health Service and the local authority).

The overcrowding of the provision landscape was mentioned by public sector participants as a barrier to coordination. One participant highlighted that in order to rationalise the provider environment, the Welsh Government has reduced the number and increased the size of contracts. However, a third sector participant opined that, because of the multiple needs of the long-term unemployed, the amount of organisations providing services is not an issue and could be beneficial. For example, the Families First programme is going through reforms aimed at rationalising the number of teams and grant-recipient bodies, replacing them with cluster arrangements and Lead Delivery Bodies. There are boards and forums that, in most cases set up by the Welsh or local government, bring providers together usually around a particular issue. One participant was sceptical of their current effectiveness, but did consider that they were improving:

> *"We have a front line strategy group … So we do share experiences … So there are mechanisms in Cardiff. To what extent they are effective? Well, I think they are getting more effective."* (Third sector organisation)

Participants were critical that organisations such as Jobcentre Plus were afforded only limited discretion to coordinate with other agencies. However, it was also highlighted that more flexible processes have now been introduced there, and that each Jobcentre Plus district now has an Employment Partnership Manager with the remit to coordinate at various levels and with various stakeholders. Participants considered that the Cardiff Community Learning Network was a good example of a partnership of learning providers that aims to coordinate learning provision (City and County of Cardiff, 2009).

Participants from all sectors mentioned how contracts had facilitated coordination, and that contractual requirements seem to be effective in bringing various organisations together in developing a service. For example, recent tendering guidance from Communities First sought a more joined up approach, with the result that a number of providers came together to tackle some of the issues in the guidelines. Nevertheless, third and private sector participants considered that contracts and competition can hinder coordination. For example, one participant affirmed that the procurement process for European funding in Wales hinders the involvement of the private sector. As one participant suggested:

> *"There are too many parties around the table. I think* [coordination] *would only work on a really large significant scale opportunity. Everybody is sitting around the table … we've still got a business to run."* (Private sector organisation)

This quote implies that it is only when projects are very big in terms of resources or where there are enough benefits for everyone involved, that organisations are able and tend to coordinate and share the resources. For instance, there is competition to engage with and keep a direct relationship with employers; when an organisation cannot meet all the needs of an employer, providers may ask others organisations to provide clients for interviews but, in order to keep control of that relationship, will tend to keep the employer anonymous. Contracts based on pricing were said to not deliver the best value for individuals, as there are other factors that contribute to the quality of services; it was emphasised that it is not always possible to design and deliver good quality or effective

projects with current funding constraints. Participants mentioned that services based on pricing often tend to be less effective for the more difficult-to-reach groups and those who require greater support, and that challenging funding arrangements of, for example, the Work Programme effectively rule out participation by some organisations.

For a number of reasons, coordination between the Work Programme and other service providers was considered by participants from all sectors to be difficult. First, due to the Welsh Government's decision on Work Programme access to local or regional services directly or indirectly funded by them. However, some public sector participants asserted that they do support Work Programme participants if they feel the person would benefit, even if the rules and regulations do not allow it. Second, the length and size of the Work Programme contract means that only two organisations are the prime providers, deciding all the provision for the long-term unemployed locally. Even though it was expected that Work Programme primes would subcontract services to other providers, participants from the third and private sector opined that referrals to local service providers had been less than predicted. Third, participants from the third sector suggested that there is a lack of trust between Work Programme primes and other providers. A lack of trust was apparent with regards to services offered, the nature of the provision, the target-based outcomes, the sanctions impose, and the providers' objectives. One participant implied there may also a lack of respect by the third sector for the objectives of the Work Programme primes:

> *"I don't think we share their* [Work Programme primes] *lexicon really, we speak a different language to them, particularly when you look at figures … the amount of time we spend with the client, for example, wouldn't be cost effective for them."* (Third sector organisation)

Other public sector participant similarly mentioned the differences between providers depending on the sector. Fourth, private sector participants said that Work Programme payment by job-outcomes was challenging, in the sense that smaller organisations did not have the financial capacity to hold out for prolonged periods before payment.

According to private sector participants, there seems to be coordination between Work Programme providers and some employers and employers' associations. The need to link to employers seems to be stressed by Work Programme providers, to the point that

some are providing sales training to subcontractors so that *"they are better equipped to sell their customers to employers"* (Private sector organisation).

In summary, it seems that lack of common objectives and trust, together with a competitive and overcrowded providers' landscape, were some common causes for the lack of collaboration and co-production. Due to Welsh Government guidelines on access to local provision, the size of the programme, the lack of trust between organisations, and the funding model, the Work Programme does not appear to have brought organisations together.

7.3 – Summary

What Matters is the Integrated Partnership Strategy in Cardiff. It encompasses four strategies and six Neighbourhood Management Teams implement it. Local generic services based around themes are implemented alongside Welsh Government initiatives and national programmes. The lack of a well-defined and stand-alone employability strategy in Cardiff is perhaps a result of the generic partnership model which has a strong focus on tackling poverty and well-being. The Training and Enterprise Directorate within the Cardiff City Council implements employability policy developed by the Cardiff Partnership. Local employability initiatives are different in intensity and goals to the national initiatives, and do not target specific groups, with the exception of 'young people not in employment, education or training' (NEETs).

Forums often bring administrative levels together and, on limited occasions, result in joint initiatives in areas where actors have discretion and a common interest. However, devolution and the different responsibilities for policy areas, as well as the differing objectives of administrative levels, hinder coordination. Of the tensions and limited coordination between levels, the Work Programme is a case in point. The decision of the Welsh Government regarding access by Work Programme providers to provision directly or indirectly funded by them was based on practical considerations, similar to those mentioned by the Scottish Government in the Scottish case study. However, the Welsh Government has allowed some exceptions to this rule. Coordination between the Welsh Government and local government employability policies is hindered by a lack of input from, or limited room for discretion and flexibility by, local government in devolved policies.

Coordination between policy areas is deterred by devolution arrangements and departments working in silos. Silo working is the result of boundaries, structures, guidelines, particular forms of funding allocation, and lack of a shared focus. Scarce resources make departments more protective and result in less capacity to engage in coordination. Practical necessities in policy implementation bring policy areas together. Education and employability are linked, especially for younger people, but there is limited coordination between employability and other policy areas. This is the case especially with regard to economic development, child and household poverty, and employability. However, some convergence towards employability seems to be taking place via guidelines or outcome measures across the council. As in the Edinburgh case study, the Work Programme has not been able to link policy areas to any great extent.

Forums that bring many actors together can facilitate coordination but the limited flexibility of some of these actors can hinder it. Stakeholders' different processes and objectives, and a lack of understanding and trust, are a barrier to coordination. Even if actors come together as a result of contractual requirements, as a result of practical needs, or to advance service-users' interests, contractualisation and competition can prevent coordination. Overcrowding can hinder coordination and the Welsh Government has rationalised the provision by reducing the number and increasing the size of contracts. The Work Programme's rationalisation of service provision has not achieved coordination between actors, due to the stance taken by the Welsh Government, to the nature of the initiative and its financial model, and the lack of trust between providers.

There are differences between Edinburgh and Cardiff's case studies on the type and level of coordination and the hindering and facilitating factors to achieving coordination. Nevertheless, there are similarities between these two cities, especially concerning coordination and factors influenced by their status as capital cities of devolved administrative nations. It would be therefore advisable to analyse the type and level of coordination and the hindering and facilitating factors in a city outwith a devolved nation. This will be the aim of the next chapter (Chapter 8), in which Newcastle is the case study city.

Chapter 8. Newcastle Case Study

In this chapter, the findings from the Newcastle case study are presented. Newcastle is situated in the North East region of England, which has not recovered from the de-industrialisation of the region and lags behind the national average on most performance measures (Duke et al. 2006), as discussed in Chapter 5 Section 5.2.3. In 2012, the unemployment rate in Newcastle was 10.2 percent and the economic inactivity rate was 30.4 percent. Both were higher than the average for England (see Chapter 5 Figure 5.2) and higher than the rates in Edinburgh; compared to Cardiff, the employment rate is slightly lower and the economic inactivity rate is higher. In Newcastle, 4.8 percent of people were claiming Jobseeker's Allowance, which is higher than the claiming rate in Cardiff and in Edinburgh.

The findings in this chapter are reported in a descriptive manner, as per the analytical technique chosen in the thesis (see Chapter 4 Section 4.2.2), with the aim of identifying causal mechanisms for the existence or absence of coordination. This data will be analysed in a comparative manner through explanation-building techniques in the next chapter (Chapter 9). The aim of this chapter is to answer the same question that guided Chapter 6 and 7: What are the administrative structures and priorities for labour market policy at local level, and who are the key actors? Do the administrative levels, policy areas, and various actors coordinate when implementing and developing labour market policy? What is the level of coordination, in which settings does it occur, and what are the reasons for the existence, or lack of, coordinated action?

The chapter is structured in three sections. First, the labour market strategy, priorities, and key actors in Newcastle are depicted. The existence and levels of vertical (between administrative levels) and horizontal (across policy areas and amongst stakeholders) coordination in Newcastle are then explored. The chapter ends with a summary.

8.1 – Labour Market Strategy in Newcastle

In this section, the local administrative arrangements, the key actors operating in the labour market policy field, and the local priorities for this policy area in Newcastle are examined in turn in the following three subsections.

8.1.1 – Local Administrative Arrangements

Newcastle City Council is required by the Local Government Act 2000 to produce a strategy *"for promoting or improving the social, economic and environmental well-being of their area and contributing to the achievement of sustainable development in the UK",* in partnership with other agencies and actors from the public, private and third sector (Newcastle City Council 2011, p.11). The City Council's Newcastle Charter *"sets out how the Council operates, how decisions are made, and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people"* (Newcastle City Council 2011, p.9). In 2001, following consultation on the implications of the Local Government Act 2000, the council resolved to adopt a Leader and Cabinet form of executive government. This setup was reaffirmed in 2009 after changes to the Local Government Act in 2007. The Cabinet, which is appointed by the leader, and is responsible for most strategic decisions, consists of up to nine councillors and the leader. Newcastle City Council is structured into four main directorates: Chief Executive Office, Adult and Education Services, Children's Services, Environment and Regeneration (Newcastle City Council, 2011).

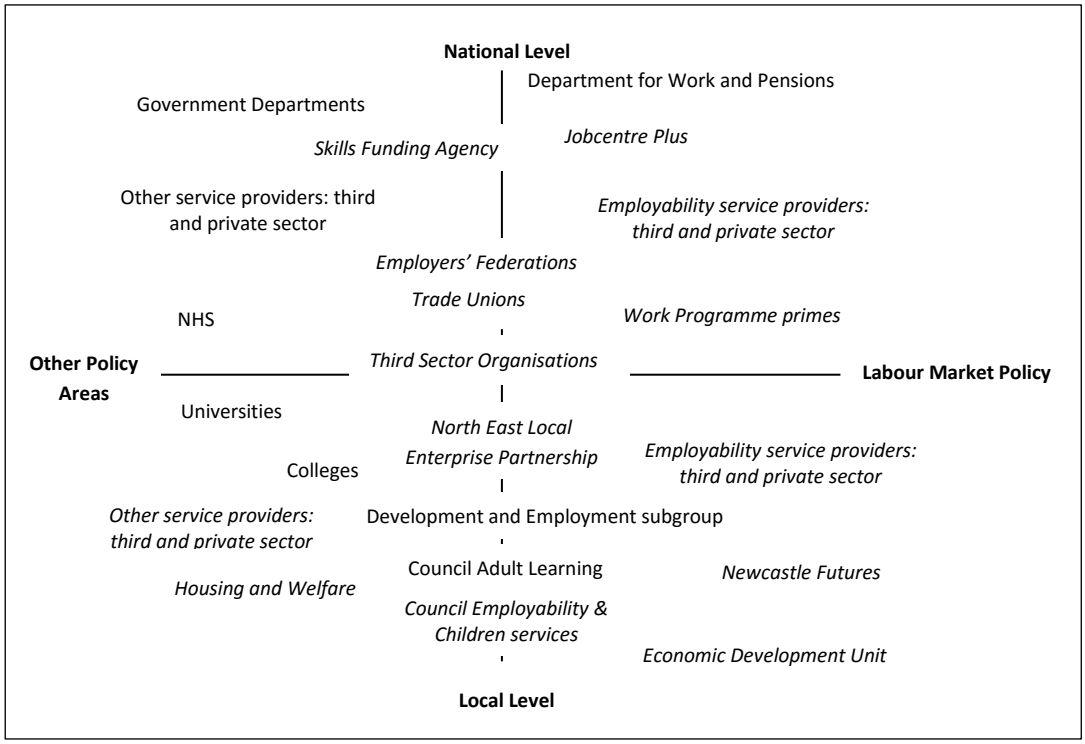
According to participants from the public sector (and to document analysis), the Local Strategic Partnership for Newcastle was the Newcastle Partnership (Newcastle City Council, 2008). It was composed of five key multi-sector thematic partnerships whose role was to provide strategic leadership and direction, and influence the delivery of public services. Newcastle Partnership was responsible for producing and delivering the 'Sustainable Community Strategy', which set out a vision for developing and regenerating the City over 10 years (Newcastle Partnership, 2010). According to public sector participants, it brought together a range of public, private, and third sector organisations at local level, with the aim of making services work together more effectively. The Council, the Local Learning and Skills Council, and Jobcentre Plus were the leading partners. The Sustainable Community Strategy had six themes that were its strategic pillars: Adult Wellbeing and Health; Improving Outcomes for Children and Young People; Creating and Sustaining Quality Places; Managing Environmental Impact; Safe, Inclusive, Cohesive and Empowered Communities; and Strengthening the Economy (Newcastle Partnership, 2010). The strategy aimed at contributing to the council's seven headline outcomes that focused on improving citizens' lives. The Newcastle Partnership

was dismantled after the 2010 General Election (Newcastle Partnership, 2014). At the time of the interviews it was not in existence and it was unclear to participants if any other partnership or group had replaced it or if any partnership-working structures were in place.

8.1.2 – Local Actors

Some of the key actors involved in policy development and implementation in labour market policy for the long-term unemployed in Newcastle are described in this subsection and are portrayed in Figure 8.1.

Figure 8.1 – Some of the labour market and employability policy actors in Newcastle



Source: Author

The vertical axis in the figure represents the administrative level, with the national level at one extreme and the local level at the other; the horizontal axis represents policy areas, with labour market policy at one extreme and 'other' policy areas at the other. There are no absolutes in the figure and actors are displayed in a continuum; actors shown in italics are the organisations that have been interviewed in this thesis. The role of these actors is explored next.

The Department for Work and Pension develops national labour market policy for the long-term unemployed, and Jobcentre Plus and the Work Programme providers are key actors in its delivery (see Chapter 2 Section 2.2). In Newcastle, the Work Programme prime providers are Ingeus and Avanta. Ingeus is a provider in Scotland and in six contract areas in England including North East, while Avanta is a provider in three contract areas in England including the North East. Individuals that are long-term unemployed in Newcastle have access to a number of services. The main providers of these services are Newcastle Futures, the Work Programme primes, Jobcentre Plus, council services, colleges, and other organisations from the private and third sector.

The Development and Employment subgroup of the previous Newcastle Partnership, and the Economic Development department within the council through Newcastle Futures are the main actors developing and delivering labour market policy. However, a participant from the private sector emphasised that the Economic Development and Employment subgroup was more an information-sharing forum than a forum where strategy was developed. The Economic Development unit at Newcastle City Council was cited by public sector participants as responsible at strategic level for council policies around stimulating the economy, and for ensuring that policies are delivered through links with organisation or with partner organisations. The main partner organisation with which Economic Development liaises regarding labour market policy is Newcastle Futures, which delivers employability services on behalf of the council (North East Improvement and Efficiency Partnership, no date). The Economic Development unit is situated within the Chief Executive Office. According to public sector participants, it has a relatively small team since most of the employability delivery is done by external organisations such as Newcastle Futures or in partnership with others.

Newcastle Futures was cited, by participants from all sectors, as the main local government service dealing with unemployment. Newcastle Futures was set up by the Strategic Partnership in order to tackle worklessness, which was identified as a key priority, in an innovative way (North East Improvement and Efficiency Partnership, no date). It meets the council's aims of commissioning services instead of delivering them and of operating in partnership in the delivery of services. A participant from the public sector declared that this initiative was a recognition that the problems associated with worklessness cut across many of the council's objectives. Furthermore, a not-for-profit

organisation such as Newcastle Futures could bid for contracts coming from central government. Participants observed that the aim was for Newcastle Futures to develop the labour market strategy in Newcastle to meet the council's vision for Newcastle as a Working City. However, participants from the public and private sector stressed that even though there was a strategic element at the beginning, Newcastle Futures' current role is less strategic and more about delivering a strategy, or delivering services. Participants from all sectors considered there was a lack of a local strategy to tackle unemployment; one participant blamed this on funding difficulties:

> *"I don't think we have anything that I would describe as a strategy yet. I think we're working towards, we've definitely got a priority around unemployment and youth unemployment and we've got pieces of work, but we haven't formed it into a strategy. And I think that's going to be a very difficult thing to do in the current climate, because of funding."* (Public sector organisation)

Another participant from the private sector blamed the lack of strategy on resource shortages, coupled with failings within the prevailing national policy framework. According to public sector participants, there seems to be a desire to develop Newcastle Futures' role into a strategic one once again. This would mean Newcastle Futures working within the council around identifying the opportunities for mainstream council services to support people in their journey into work and the further joining up of various council services (from housing, social services, etc.) which in many cases serve the same people. It would likewise mean working with employers and other organisations that could take a more active role in delivering employability services, which would benefit the council's financial position.

8.1.3 – Local Government Priorities

Participants from the public and third sector commented that worklessness and job creation, especially focused on younger age groups, have become the number one priority for Newcastle City Council. When discussing the labour market strategy, two crucial aspects were mentioned by public and third sector participants: first, the availability of jobs and second that the barriers to employment are not always skills related. There is a recognition that, due to the correlation between worklessness and other social problems, the focus on employability and on worklessness prevention can

reduce cost elsewhere within the system. A participant from the public sector affirmed that this focus is reflected in the fact that the council's employability budget has been protected to an extent, while budgets in other areas have been cut.

Public sector participants cited 'Working City' as the local authority employability strategy and one of the four objectives of Newcastle City Council. The Working City Board—the senior group that responds to the Council's Working City strategic priority—is responsible for all aspects of making Newcastle a Working City (Newcastle City Council 2012a, Newcastle City Council 2012b). One private sector participant nevertheless highlight that Working City lacks strategic direction and has a lack of buy-in from local actors. Participants from the public and third sector stressed that the Working City strategy needs to do more to ensure that those who are most disadvantaged in the city benefit from economic growth creation, by making sure that employment opportunities are at suitable level for unemployed people. The recent 'City Deal' is linked to the Working City strategy (Newcastle City Council, 2012b) but participants considered that initiative to assist mainly the higher-skilled groups amongst the unemployed. One participant opined that the strategy might not be of much benefit to the long-term unemployed:

> *"The risk* [is] *that what we do is we create businesses and we bring lots of people in, but actually that underbelly* [long-term unemployed] *that's still in the city, remains as an underbelly who those opportunities aren't there for."* (Public sector organisation)

Therefore, there is a need to guarantee that opportunities benefit those who are disadvantaged, otherwise the problem of unemployment within the city will not be tackled.

The City Deal process was said, by public sector participants, to be an opportunity for local government to deliver more effectively, move away from silo policies and strategies, and change the way government thinks of its role and local strategy (Newcastle City Council, 2012b). Participants from the private and third sector stated, however, that the City Deal is not coordinating or working with actors locally. One participant said:

> *"City Deal is basically local authorities asking for money generally when they want, and not integrating."* (Private sector organisation)

This quote implies that the City Deal is not achieving its goal of, according to another participant, *"a move away from having a whole raft of silo strategies and polices"* (public sector organisation). Other participants said that the City Deal was challenging for national and local government for two main reasons. First, national policy gives power to the cities to develop strategies in a number of areas but, according to a third sector participant, the reality of scarce resources means that tough choices have to be made about where to exercise discretion and how to meet the various responsibilities. Second, a public sector participant pointed that local governments, having designed and delivered *"traditional local services set by national policy"* for many years, may have difficulty adjusting to a new role that requires them to innovate and design services to take account of local attributes, opportunities, strength, weaknesses, and challenges.

Participants stated that while the system for supporting young people has not changed radically, there has been a radical policy shift in the realm of supporting adults and the long-term unemployed. This is the case because the Economic Development unit within the council tries to wrap around national mainstream support, and is conscious of not duplicating or substituting the national offer. It was suggested that although there are multiple services that in some cases coordinate and in some others overlap, there are many instances where services do not communicate with each other. It was considered that, as a result of the lack of communication, there is an absence of a coherent local labour market strategy that local actors can identify and follow. In the words of one participant:

> *"There is a lot of activity going on, but not much sense of a shared strategic framework that everyone shares and understands."* (Private sector organisation)

The lack of a coherent local strategy was the result of various issues. For instance, participants from all sectors blamed a lack of resources, with funding cuts to local government meaning that the main labour market policies are national ones and that a locally driven model of employability is *"pretty much non-existent"* (private sector organisation). Public and private sector participants remarked that the disappearance of the Regional Development Agency (see Chapter 5, Section 5.2.2) may have influenced

the current lack of local strategy. However, one private sector participant pointed out that even though a lack of strategy at local level is evident now, having a local strategy in the past did not necessarily deliver a reduction in worklessness.

In summary, there were established partnership arrangements through the Newcastle Partnership until its dissolution. Currently, it is unclear if any other partnership-working structures are in place. There is a substantial number of third sector, private, and public providers of employability services, which are often subcontracted by the key national and local actors. Worklessness and job opportunities seem to be the main priority for the local government in Newcastle. However, there could be missed opportunities if the strategies to tackle worklessness miss the most disadvantaged in the city. The local strategy for dealing with the long-term unemployed has changed as a result of national policy and, in general, the local strategy seems to lack coherence.

8.2 – Coordination in Labour Market Policy

Many of the strategic documents cited in Chapter 5 alluded to coordination and partnership-working as an aim to be achieved in labour market policy implementation. In this section, participants' opinions on the extent of the coordination that takes place in labour market policy for the long-term unemployed in Newcastle are explored. The structure and focus in this section is on the three dimensions where coordination could occur: between administrative levels, across policy areas, and amongst service providers. The questions guiding the section are: Do the national and local administrative levels coordinate when implementing and developing policy? Do labour market policies coordinate with other policy areas such as health, childcare, housing, and economic development? Do public, private, and third sector organisations coordinate in the development and implementation of labour market policy? In all these dimensions, the objective is to ascertain the level of coordination, the settings where it does occur, and the reasons for the existence or lack of coordinated action.

8.2.1 – Vertical Coordination: Administrative Relations

The general feeling amongst participants from all sectors was that although there is a commitment and vision to tackling unemployment, there is a lack of local strategy. Participants from the public sector said that this was due to national policy constraints

and to the limited discretion at local level. It was felt that the main labour market policies at local level are national policies such as Jobcentre Plus, the Work Programme, and the Youth Contract. One third sector participant said that these now provide some of the services that have disappeared at local level:

> *"The resources for getting people back into work, for business growth and all of that, rather than being devolved at local level have been aggregated to national level, so whilst they* [the local government] *might have the aspiration* [to have a strategy] *they don't really have the levers, or they don't have enough of the levers."* (Third sector organisation)

This quote suggests that labour market policy has been centralised, leaving the local level without the control and responsibilities to have a local strategy. Participants from the public and private sectors remarked that the local offer wraps around and complements the national employability offer. The Work Programme was brought up as a case in point regarding the need for the local level to adapt and wrap around national policy. It was stated by public sector participants that local policy had to change its target groups and service offer as a result of the introduction of the Work Programme, and now focuses on either those who have been unemployed for up to 12 months or those who had been unemployed for 24 months or more. This change is likely to affect local providers, although as the quote below implies, the economic recession has meant that the demand for services at local level has not altered significantly:

> *"The numbers have change but not massively significant because there still is enough people, thanks to the recession, that are coming through from the nought to 12 months."* (Public sector organisation)

A participant from the public sector stressed that some national initiatives put pressure on local resources. An example given was the Work Programme, which was said to be subsidised at the operational level. This is the case since local organisations often provide services, funded by a variety of sources, free of charge to providers of national initiatives. This is causing fatigue in the system at local level, according to a private sector participant, which has been more acute in recent years due to the lack of local funds.

The national model of labour market policy delivery was singled out, by public sector participants, as a barrier to coordination. It was stated that coordination amongst administrative levels is difficult and is hindered because organisations at different levels have different approaches and philosophies. As one participant explains:

> *"The policy for Jobcentre Plus is move people off benefits. The policy from the city's point of view is move people into employment. It is a very subtle point, but it's actually huge."* (Public sector organisation)

This quote suggests two different objectives of the national and local level policy. Participants from all sectors, affirmed that organisations at these two administrative levels do not come together in partnerships to understand the needs of the city and plan delivery in a coordinated manner, and that there is a lack of *"buy-in"* (private sector organisation) amongst local and national organisations. It was said by a public sector participant that Newcastle Futures for example offers more time-intensive and continuous support, while the Jobcentre Plus offer is more *"high volume, low cost"* services. Even if people on the ground working for Jobcentre Plus or other national employability initiatives understand people's need for support, their priority is the national policy drive in terms of the objectives of moving people into work and the speed that this needs to be done. As one participant opined:

> *"I feel as though (…) the system (…) says 'our only goal really is to have them off benefits and in work, we are not really that bothered what that work is'. And that is, I think, another example of short-termism."* (Public sector organisation)

This quote exemplifies the different goals of organisations when providing services for those long-term unemployed. Other participants also alluded to these different philosophies: for instance, central government subcontracts based on outputs defined on payment by results, while local government funds services because of need rather than outcome. This clash of objectives makes it difficult for some providers to work with increasing numbers of people mandated to them by Jobcentre Plus. Participants declared that the two approaches to employability could result in *"broken continuity"* (public sector organisation) for clients and in services that are less effective than they could be. Furthermore, it was highlighted by public sector organisations that the national employability strategy, which often does not invest time and resources in

peoples' skills, is not suitable to achieve the vision of a high skills and knowledge economy. As one participant explained:

> *"We talk about a high skill economy … an economy where the bar has been raised on skills and if we really want people to be working in that economy into the future, then we need to invest a bit more."* (Public sector organisation)

Equally, according to participants from all sectors, continuity in support can be broken by the political cycle with changes in administrations that often bring about rescheduling, termination or creation of programmes and initiatives, and in some cases political tensions between administrations. Participants remarked that as a result of this limited coordination, local policy wraps around national policy rather than being truly inter-related. Instances of duplication as a result were cited. For example, the European Social Fund programme targeted to families with multiple problems was highlighted by a third sector participant. The Department for Work and Pensions developed this programme, while at the same time locally the Department of Communities and local government developed the Troubled Families policy. These parallel initiatives were not coordinated, so during implementation there was a great deal of confusion and difficulty for the local authorities.

Even though, according to participants from all sectors, there are levels of coordination, the main feeling was that coordination is minimal, and there is an alignment of priorities instead. It was articulated by participants from the three sectors that, in the past, coordination in the delivery of employability services locally was more common. As one participant explained:

> *"Since the recent government came, we have seen a far greater disconnection between the national policy and the regional. Or less of a sense that the national policy is regionally sensitive, and that it's capable to being tailored to particular skills needs in different areas."* (Private sector organisation)

This quote suggests that coordination between administrative levels has diminished and national policies are less responsive to regional and local needs. Public and private sector participants considered that the Regional Development Agency had a cohesive role in making national, regional, and local policy and delivery more coordinated. Since

the abolition of the Regional Development Agency there is no longer a regional labour market strategy and it does not appear to possess the same connectivity between national and local actions, for example with the Work Programme. Participants stated that disconnection creates missed opportunities locally and regionally in employment and delivers national initiatives that are insensitive to local needs. Thus, centralisation was seen by private and public sector participants as a barrier to integration. One participant considered that centralisation has left local authorities impotent in relation to employability strategy:

> *"Because all of the power and control is centralised in Whitehall the local authority actually has, I would say, no influence at all over how those services are commissioned and delivered."* (Private sector organisation)

Participants also suggested that, even where more freedom is given to the regional and local level, lack of ownership and leadership can be a barrier to coordination. These participants considered that the North East Local Enterprise Partnership still lacked the leadership and authority required to bring organisations together and initiate action. That said, the Tees Valley Local Enterprise Partnership was highlighted as an example of leadership. Participants opined that the creation of a regional body would facilitate coordination between local authorities and tackle the issue of unnecessary duplication, such as the existence of Employment and Skills Boards in each local authority. Participants from the private sector pointed out that the Local Enterprise Partnership could be the means through which national and local coordination occurs. However, it is early days for the North East Local Enterprise Partnership and, currently, important public and third sector actors are not involved.

Nevertheless, some instances of coordination were cited. For example, increased coordination between the Jobcentre Plus Employment and Partnership Team, and the City Deal; or the aim to strengthen joint working by the council's Economic Development unit between them and the Jobcentre Plus through collocation and data sharing. Newcastle Futures is an example of multi-level coordination as it is a partnership between the Jobcentre and the council, with the aim to tackle unemployment across the city in a partnership approach. It is a hybrid with staff employed by Newcastle Futures and funded by the Council, as well as staff employed by Jobcentre Plus (North

East Improvement and Efficiency Partnership, no date). The Newcastle Futures Board brings together the council, the college, Jobcentre Plus, the North East Chamber of Commerce, and other local service providers. It combines council policy and Jobcentre Plus national policy on employment. The Jobcentre Plus system does not allow for flexible support but Newcastle Futures allows more flexibility in the delivery of services and client engagement, and allows for more innovation through, according to participants, for instance engaging with service-users through social media. Even though Newcastle Futures brings together the national and local administrative levels, one public sector participant opined barriers to this coordination are created by limited discretion and flexibility from Jobcentre Plus and a lack of data sharing resulting from Data Protection Act principles. As one participant suggested, better data sharing could help target resources to individuals more effectively and efficiently:

> *"We could help more people if there was better sharing of information from central government, particularly from DWP* [Department for Work and Pensions]*. (…) we could make better use of that public money to help more people."* (Public sector organisation)

Participants expressed the view that a better-aligned IT system that balances the need to protect personal information and support people with multiple needs would allow improved services to be provided. For instance, Newcastle Futures cannot access Jobcentre Plus systems and vice versa, which creates problems.

To sum up, although there are innovative examples of coordination such as Newcastle Futures, the general feeling was that there is a lack of coherent local labour market strategy. Local services complement and wrap around national initiatives rather than these being coordinated, and, in some cases, there was overlap and duplication between them. Limited discretion, funding constraints, diverse objectives, and lack of bodies with a remit to bring actors together, were barriers to multi-level coordination.

8.2.2 – Horizontal Coordination: Policy Areas Relations

There was recognition that moving someone towards employment requires an assessment of their individual barriers, and achieving sustainability necessitates dealing with these barriers along the way, with bespoke approaches to service delivery,

flexibility, and consistency in the coordination of welfare services. Linkages between policies were said to be a consequence of a number of factors: third and private sector participants mentioned operational level tactical needs; participants from all sector cited the existence of historical relationships; while private and public sector participants refer to effective leadership. As one participant conveyed:

> *"The integration happens more in spite rather than because of the system."* (Private sector organisation).

Participants from the public and private sector stressed that departments still work in silos, and there was a general sense that there is currently more fragmentation and less cohesion. Participants from the private and third sector affirmed that even though at the practical level there are good examples of joined-up working, at the policy level, areas are not joined up effectively. Some examples of multi-dimensional coordination mentioned were the Council's Adult Learning Service funded by the Skills Funding Agency, which finances childcare for training provision and brings financial and health advisers into their services to help clients' individual needs. Jobcentre Plus caters to some extent for specific needs of clients through specialist advisers (e.g. disability advisers) and referrals to other services. Participants from the public sector suggested that funding cuts could result in increased coordination, because services will have to be planned and delivered *"more intelligently"* (public sector organisation).

Other participants from the public sector remarked that as resources diminish, a coordinated local strategy could be even harder to develop. Lack of funding could also mean more targeted use of resources, difficulty in providing complex services, and gaps in provision that could reduce the effectiveness of some initiatives. As one participant explained:

> *"Because of policy changes and funding restraints we're now having to look at targeting so much, in terms of targeting the most vulnerable."* (Public sector organisation)

This quote suggest that services are targeting more due to the lack of funding, which could disadvantage individuals that need the services but do not meet the target criteria. According to participants from the public sector, Council departments work together on

themed boards such as the Welfare Reform Board or the Employment and Skills Board, via partnerships such as the Local Strategic Partnership and its various subcommittees, and through other initiatives such as the City Deal.

A lack of boards or partnerships focused on economic issues and employment was highlighted by a third and public sector participant, with the exception of the Economy, Work, Skills and Learning Partnership. Its key focus is on delivery of the city's Employability and Enterprise action plans (Newcastle Partnership, 2010). This partnership is led by the council's Economic Development Department and brings together a number of organisations such as Jobcentre Plus, Newcastle Futures, Science City, Newcastle College, North East Chamber of Commerce, Business Link, North East Employer Coalition, Newcastle Council for Voluntary Services, Voluntary Sector, and others. The Local Strategic Partnership has been replaced by new arrangements, such as the Health and Wellbeing Board (Newcastle Council for Voluntary Service, 2011), the latter being operational and more concerned with information-sharing than strategy, while the former has a monitoring role.

Although a participant from the public sector emphasised that boards and partnerships are often less effective in practice than intended:

> *"Working together involves more than attending meetings and working within some limited mixed funding."* (Public sector organisation)

This quote suggests that information-sharing and working around some shared funding does not deliver coordination between organisations on its own, which participants suggested was all that many of these boards and partnerships were interested in. However, according to a public and a private sector participant, information sharing is the key to coordination. Some policy areas such as childcare, health, transport, and businesses were said by participants from all sectors to be less closely linked to labour market policy. Skills were more closely linked to labour market policy, however, for a number of reasons, coordination could be improved. First, some organisations delivering skills and education link their provision to employment such as the Skill Funding Agency, while other providers do not make that link. Second, the skills landscape is crowded with a lack of strategic planning of service delivery and therefore duplication; nevertheless, employability provision has been streamlined as a result of

the lack of funding and the introduction of the Work Programme. Third, national labour market policy can be a barrier to developing and sustaining a high-skill economy. One participant explained:

> *"All Jobcentre Plus seems to be asking us to do with them* [unemployed 16-24 year olds] *is employability skills, so CV, job search, etcetera. I think that is a bit narrow."* (Public sector organisation)

This quote suggests that Jobcentre Plus might be too focused on quick entry to the labour market, rather than nurturing skills that result in suitable sustainable employment. Participants from the public sector affirmed that the vision of a high skill and knowledge economy can be jeopardised by initiatives that require quick movement of people into any available job and does not invest in people's skills. Moreover, a participant from the public sector mentioned that due to skills planning and funding being controlled nationally, there is no scope for local or regional flexibility, unlike when the Learning and Skills Council was in place:

> *"Back to the beginning of the Learning and Skills Council … in 2001, I would say that there was more flexibility around funding things … [Now] everything is very centralised and all of the rules and all of the processes and all the performance measures are all national. There's very little local or regional flexibility about anything really."* (Public sector organisation)

A participant from the private sector explained that there seemed to be more coordination when the Regional Development Agency existed, even if their power was limited. According to participants from the private sector, there is some expectation that the North East Local Enterprise Partnership will increase responsibilities for coordination of skills, employment, and employability. This seems to be supported by the independent economic review currently taking place (North East Local Enterprise Partnership, 2013a) and by their recently advertised post detailing specific responsibilities for skills and employment. Participants pointed out that one of the aims of the North East Local Enterprise Partnership could be to simplify the skills arena in which there is a multiplicity of providers. It was stressed that local planning would need resources, which might prove difficult.

The different priorities of various policy fields could be a barrier to multi-dimensional coordination, according to public and third sector participants. A public and private sector participant said that having employment as an end goal and implementing services with this goal in sight could help coordination. One participant explained:

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

This quote suggests that interventions could be very different in nature, but having a common aim, even if distant for some, would provide interventions with a common direction. Policy areas would have their focus and strategies but "*everyone would know that employment is a priority and try to create the opportunities within it"* (public sector organisation). Silo working in the Council was mentioned by participants from all sectors, because of narrow outcomes that one participant emphasised goes against *"the general consensus that is emerging around integrated joined-up delivery"* (third sector organisation). In addition, funding being locked or 'siloised' is a barrier to coordination according to public and private sector participants. As one participant opined:

> *"You can get partners sitting in a room talking to each other about what they would like to do, when the reality is that they have not got resources to do anything."* (Private sector organisation)

This quote illustrates the pivotal role of resources to achieve coordination. According to a private and to public sector participants, funding guidelines can bring department and policy areas together. However, private and third sector participants also considered that lack of funding creates coordination problems. Participants from the public sector suggested that performance-related outcomes focused on employability could bring some policy fields together through convergence. Public sector participants expressed the view that coordination limitations at local level stems from limited joining-up and coordination at national level, scarce intelligence in service provision, and an absence of data sharing about service-users. As one participant explained:

> *"If you don't know your customers, (…) if you don't really know your target audience, how are you really doing a system to benefit them?"* (Public sector organisation)

This quote implies that effective service delivery requires that providers understand their service-users. Participants stated that availability of shared data could help the system to be more effective by informing strategy. Participants from the public sector mentioned that Newcastle Futures looked at evidence based on impact and performance, and found that there was a huge amount of duplication in local employability services. Newcastle Futures introduced a customer management system that put individuals at the centre of employability services, bringing a number of services together in collaboration rather than partnership, to support individuals moving on a path towards work.

However, public sector participants stated that shared aims between policy areas have not been achieved. The Council's Economic Development unit aims to increase integration between Council services, move Newcastle Futures' focus from outputs (what is delivered) to outcomes (the results of the delivery), and bring stakeholders together towards a strategic way of delivering services. This aim includes council services that often deal with the same individuals and households. As one participant considered:

> *"It is about how you move from partnership-working into shared objectives. (…) you wouldn't necessarily have collocation, you would have one person doing both things, and that hasn't really happened I suppose much yet."* (Public sector organisation)

This quote suggests that the Council aspires to have common objectives between policy areas. It was pointed out by public and private sector participants that it is positive that Newcastle Future's role is changing again towards having a more strategic input, as this will bring evidence and experience to inform policy and will allow for more coordination between services and policy areas. As one participant articulated:

> *"They* [Newcastle Futures] *should have more a role of setting strategy and creating a vision of what the employability market in Newcastle should look like,*

which at the moment they don't do, so the strategy and leadership is missing." (Private sector organisation)

A good example of coordination across policy areas is the link between employability and housing through Newcastle Futures. The Hills (2007) review on the future role of social housing in England stressed the responsibility of housing providers in terms of increasing their tenants' wellbeing, their employability and skills, and their financial and social inclusion. As a result, Newcastle Futures linked with Your Homes Newcastle, carried out awareness-raising, and collocated employability advisors with housing providers (instead of the other way around) as part of Your Homes Newcastle employment and skills strategy. Your Homes Newcastle is an Arm's Length Management Organisation: a not-for-profit company that provides housing services on behalf of a local authority. The model of placing employability advisors in housing rather than in 'traditional' employability services was thought, by those developing the initiative, to provide better results. One participant considered that the initiative increases the opportunity for service providers to engage with unemployed clients who might otherwise have been difficult to reach:

"A high proportion of tenants are unemployed, so it makes sense to work with [housing provider in Newcastle]*. They get access to the people that wouldn't necessarily walk through our door."* (Public sector organisation)

Participants explained that the links between Newcastle Futures and Your Home Newcastle continue and as a result of the welfare reforms two advisers employed by Newcastle Futures, and funded by the Department for Work and Pensions, will work with tenants affected by the benefit cap (Your Homes Newcastle, 2013). One participant nevertheless observed that there is much more that housing could do in terms of employability.

To sum up, although there seems to be a movement towards the need for bespoke and holistic service provision, there was a common view that policy areas operate in silos. Coordination between policy areas seems to lack strategic planning and tends to emerge more out of practical needs or individual entrepreneurship; notable exceptions include the coordination between Your Homes Newcastle and Newcastle Futures. Themed boards assist in information-sharing, but do little to facilitate coordination, except to a

limited extent around specific projects. Even employability and skills were not synchronised effectively, especially with regard to the long-term unemployed, and it is expected that the Local Enterprise Partnership will coordinate these at regional level. Newcastle Futures is an initiative that aims to achieve collaboration between policy areas through a customer management system and shared objectives.

8.2.3 – Horizontal Coordination: Relations between Service Providers

According to participants from all sectors there is limited coordination and cooperation between providers. Instead of a smooth journey through service provision, it is likely that services are slower and less effective as a result. Participants from the third sector mentioned that collaboration happens often as a necessity when implementing services: services gaps can be funded by a provider, some are already available, and some others would be negotiated between providers. There are examples of coordination due to funding. As one participant stated:

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

Local service providers have to bid for money coming from the Council, although some funding is grant-allocated. Participants from the public and third sector said that national funding methods mean that fewer and larger providers are now more prominent, while smaller and specialised provision has reduced. One participant considered that the new funding regime does not cater for partnership-working, but instead encourages competition:

> *"The way that funding has gone, almost overnight with the new administration at national level, it's kicked partnership out (…) there is no other mention of partnership. And what they are after is competitiveness."* (Public sector organisation)

Bigger organisations are more likely to secure the larger national contracts, while small organisations might be able to access some of the lesser grants and contracts available.

Public and third sector participants emphasised lack of funding as a barrier to coordination. As one participant voiced:

> *"People are not so kind as to share things because they have been pushed into competing with each other, if there is less money people are less likely to work cooperatively and collaborate."* (Third sector organisation)

This participant stressed that competition for scarce resources and the need to meet targets could make organisations more reluctant to collaborate. A third sector participant said that lack of resources tended to inhibit innovation and the reporting of not-so-good practice, because people are afraid of losing the funding: *"the financial stake of stakeholders is very important".*

Concerning stakeholder coordination and the Work Programme, there is a Regional Work Programme Board, which is perhaps unique in England. The two Work Programme prime providers take the lead, the policy director at Newcastle City Council chairs the board, and organisations such as the Skills Funding Agency and Voluntary Organisations Network North East participate in it. The aim of the board is to explore current initiatives in the field of employability and skills, to ascertain services gaps and duplications. A third sector participant stated, however, that the board is not resourced adequately, it has a narrow remit, and has little influence on the practicalities of the Work Programme. Some of those interviewed did not engage with it, either through choice or not. Small and medium size third sector organisations find it very difficult to engage with the Work Programme because of its financial set up. The rhetoric of relying on the voluntary and community sector and the reality of a very tight financial model are two conflicting policies, which meant some organisations cannot engage with the programme. As one participant suggested:

> *"The way that they gave out the contracts the DWP* [Department for Work and Pensions]*, it is a fairly unworkable financial model. (…) so our prediction is that people will go for it because they've got nothing else, but there would become a point where they just cannot afford to keep going."* (Public sector organisation)

This quote implies that the financial model of the Work Programme is unsustainable. Participants allude to one of the Work Programme primes having been forthright about

how they make the programme work financially for them: they have outsourced service provision to the minimum possible and have used providers that are already funded so they can use the services without having to pay for them.

Some participants took part in the Pentagon Partnership, a strategic consortium for Tyne and Wear's voluntary community and social enterprise sector. Participants considered that the consortium was not overly active and had failed to organise significant events for some time. It includes some voluntary and third sector organisations that work in the North East Local Enterprise Partnership area. Its aim is to influence the economic development of that part of the region, although third sector participants suggest there are fewer opportunities to do this than in the past. According to participants from the third sector, that sector does not seem to be strongly represented in the economic and employment policy arena, but rather the focus tends to be more on the private sector. The third sector was said to be well-represented in other areas such as the Health and Wellbeing Life Board. It was asserted that the third sector is not present in the City Deal at the moment, although it was expected that a board would be set up.

City Deal is putting together a group of public sector, private sector, and voluntary sector representatives as a form of steering group to look at how the council is implementing the City Deal and also to look at the Council's Economic Strategy going forward. It is coordinated by Newcastle City Council and the North East Local Enterprise Partnership, with research being done by Glasgow University to explored skills gaps and long-term trends. One participant from the private sector commented that, from this research, recommendations will be developed, one of which would be about better provision of both careers advice and advice to employers within the city and potentially the wider North East. Participants asserted that the City Deal has very few resources, therefore implementing actions will be up to partner organisations. One of the reasons behind the North East Local Enterprise Partnership's adoption of it, was to try to find resources from a wider area if possible.

Newcastle Futures collaborates with a number of service providers. It acts as a case management organisation using a service provision model with the client at the centre, managed by the lead organisation, and being referred to other service providers. Sharing data between stakeholders was highlighted as an essential issue for coordination by

public sector participants, in order to create a system capable of providing better support to service-users. Lack of leadership, communications, and willingness to accept and support other ideas were considered a problem for coordination. Personal relationships play a role: *"a lot of the success of it is based on the personal interrelations that we have"* (public sector organisation).

In summary, the challenging financial landscape seems to have affected especially third sector organisations delivering employability related services. This financial landscape and the fact that much of the funding is competitive could be barriers to coordination between service providers. There is a Regional Work Programme Board that brings together actors at regional level, although its utility was questioned. Newcastle Futures acts as a case management organisation collaborating with other providers.

8.3 – Summary

Newcastle Partnership was responsible for producing and delivering the 'Sustainable Community Strategy' in Newcastle and for bringing stakeholders together to make services work more effectively (Newcastle City Council, 2009). It was dismantled in 2010 and it is unclear if any other organisation has replaced its functions. The Economic Development department within Newcastle City Council and Newcastle Futures develop and implement respectively the local labour market strategy that is delivered via external organisations. The labour market is a key local priority but there is a lack of an employment strategy due to the lack of resources and the predominance of the national policy framework. As the local authority's employability strategy, 'Working City' lacks direction, does not have buy-in from local actors, and, like the City Deal, lacks a focus on the most disadvantaged. The City Deal process is an opportunity for local government to be more effective and coordinated. However, not all relevant actors are included as yet, and this, together with scarce resources and the need to innovate, are current challenges for local government. The disappearance of the Regional Development Agency could have influenced the current lack of local strategy.

National policy rigidity, limited discretion at local level, and the different approaches and philosophies of the administrative levels hinder coordination. Even within Newcastle Futures, which brings the national and the local level together, coordinated working is restricted by the limited flexibility of the national organisation. This results in

local employability policy wrapping around and complementing national policy. There was more coordination between administrative levels with the Regional Development Agency, while the North East Local Enterprise Partnership has not yet filled in this gap.

Council departments work together in themed boards and partnerships, but some policy areas still work in silos. Departmentalised funding, lack of common objectives, narrow priorities, and lack of shared data are some of the reasons for the limited coordination between policy areas. Linkages between areas tend to be due to practical needs, relationships, or leadership. Funding cuts can increase coordination, but can also have the opposite effect, as well as promoting more targeted services, and creating gaps in provision. Some policy areas were more coordinated with employability than others. For example, skills and housing were more linked to employability policy than childcare, health, or transport. Newcastle Futures is an initiative that aims to achieve collaboration between policy areas through a customer management system and shared objectives.

Competition for scarce resources and the need to meet targets make organisations reluctant to collaborate. There are a number of initiatives trying to bring together and coordinate various stakeholders. For example, Newcastle Futures, as a case management organisation collaborates with other providers; the City Deal aims to bring together public, private, and voluntary sector representation; the Regional Work Programme Board bring actors together at regional level although the coordination achieved through it is unclear.

The differences and similarities between the Edinburgh case study presented in Chapter 6, the Cardiff case study presented in Chapter 7, and the Newcastle case study presented in this chapter will be analysed comparatively in Chapter 9 below.

Chapter 9. Cross-case Comparison and Discussion

In this chapter, the empirical findings presented in the three case studies (Chapters 6, 7 and 8) are compared. The analysis follows the critical realism process of abduction and retroduction as the logic of discovery, as explained in Chapter 4 (Sections 4.1 and 4.2). This process is guided by the theoretical frameworks detailed in Chapter 3. The aim of the thesis is to develop a framework that might help to better achieve effective governance in reaching coordination in labour market policy for the long-term unemployed. In order to achieve this aim, the three research objectives presented in Chapter 1 (Section 1.2) must be satisfied. First, coordination types in each city will be classified using a coordination typology developed from the inter-organisational relations literature. Second, the influence of governance arrangements on the type and level of coordination will be established; this analysis will be underpinned by governance typologies and the literature in this area. Third, causal mechanisms that facilitate or hinder inter-organisational coordination will be identified; this analysis will be guided by inter-organisational relations literature and the institutional logics theory.

The chapter is structured in five sections. The degree and type of coordination between administrative levels, across policy areas, and amongst stakeholders is presented first. This is followed by an account of the influence on coordination of the three governance types relevant to this thesis: public administration, new public management, and new public governance. An analysis of the barriers to, and facilitators of, coordination is found in section three. In section four, coordination is analysed using the institutional logics theory. This is followed by the establishment of a framework that might help to better achieve coordination.

9.1 – Types of Coordination

In this section, the types of coordination between administrative levels (multi-level), across policy areas (multi-dimensional), and amongst providers (multi-stakeholder) found in each of the case studies are presented in a comparative manner. Coordination is defined as a state of increased coherence and is considered as a dynamic process (Peters, 1998). In the organisational field of labour market policies in Edinburgh, Cardiff and Newcastle, various types of coordination took place during policy implementation. Fuertes and McQuaid's (2013) and Zimmermann et al.'s (2016) typology presented in

Chapter 3 (Section 3.3.2), which categorises inter-organisational relations according to the strength of these relations, is employed in the analysis. Accordingly, inter-organisational relations found in each case study range from an absolute lack of coordination, lower level of coordination, and higher level coordination forms. The analysis focuses on the empirical domain of reality, as per the author's view of the critical realist approach.

9.1.1 – Vertical Coordination: Administrative Relations

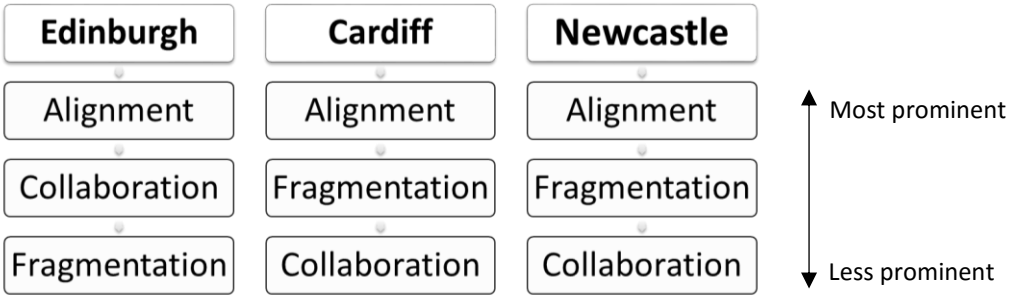
Although labour market policy is not a devolved policy area, the devolved and local governments in Edinburgh and Cardiff and the local government in Newcastle develop strategies to tackle unemployment (see Chapter 5 Section 5.2.1, 5.3.1, and 5.4.1; and Chapter 6, 7 and 8 in Section 6.1, 7.1 and 8.1 respectively). As shown in Chapter 6, 7, and 8 in Section 6.2.1, 7.2.1 and 8.2.1 respectively, the relationship between national and local administrative levels in the area of activation policy for the long-term unemployed is one of centralised localism. This assertion coincides with other literature in the field (Kazepov 2008, Lindsay & McQuaid 2008).

Nevertheless, the case studies show that, for a number of reasons, administrative levels do in fact coordinate with each other. Firstly, due to the complexity and fragmentation of multi-level governance (Green & Orton, 2012), administrative levels feel compelled to coordinate; secondly, because the local and devolved levels develop labour market strategies alongside national labour market policies; and finally, as a result of the importance of this policy area and its connection to other devolved areas of policy. The types of coordination between administrative levels found in Edinburgh, Cardiff, and Newcastle within the organisational field of labour market policies for the long-term unemployed (see Sections 6.2.1, 7.2.1, and 8.2.1) are depicted in Figure 9.1 below.

In the three case studies the most common type of coordination was alignment, as policy levels operated with consideration of other actions or strategies on other policy levels, and there was some direct interaction and adjustment of objectives (as the definition in Chapter 3 Section 3.3.2). Alignment was achieved via forums where policy levels become aware of the strategies and actions of other levels: in Cardiff for example through the Employment and Skills Board or the Joint Employment Delivery Board (see

Chapter 7 Sections 7.2.1 and 7.2.2), and in Edinburgh through the Joined Up For Jobs network (see Chapter 6 Section 6.2.1).

Figure 9.1 – Most prominent types of multi-level coordination



Source: Author

This awareness would often inform actors' strategies and actions but seldom directly resulted in any higher type of coordination. In Cardiff, alignment was also achieved through consultations and enquiries. In the three cities, the introduction of the Work Programme has highlighted that alignment between administrative levels often occurs through the local level. This means that the local employability provision and strategy is designed to wrap around and not duplicate the national offer. Local government provision in the three cities, although to a lesser extent in Newcastle, has shifted from a focus on those further away from the labour market to those who are either short-term unemployed or who have been through the Work Programme already (unemployed for at least three years).

In Edinburgh, alignment in multi-level relations was followed by collaboration mostly between devolved and local administrative levels towards an objective or common purpose through, for example, the Community Planning Partnership (see Chapter 6, Section 6.2.1). In Cardiff and Newcastle, alignment was followed by fragmentation. In Cardiff, the devolved and local level seem to work in a state of mainly isolation. In Newcastle, since the abolition of the Regional Development Agency that had provided some coordination between the national and local level, these levels seem to operate in isolation (see Chapter 8 Section 8.2.1). As newly formed regional partnerships, it is too early to say whether or not Local Enterprise Partnerships will be able to fill the gap left in multi-level coordination.

In Cardiff and Edinburgh, there is mostly fragmentation between the UK government and the devolved and local levels, especially as regards the Work Programme. Consequently, policy levels do not relate to each other and work in a state of isolation. Nevertheless, some collaboration has been achieved between the Welsh Government and Work Programme primes operating in Wales, which has not been replicated in Scotland. In Newcastle, due to the absence of a devolved government, this issue clearly does not arise. In all three cities, the Work Programme's financial model is increasing the pressure on local services and the local level appears unable to influence the Work Programme.

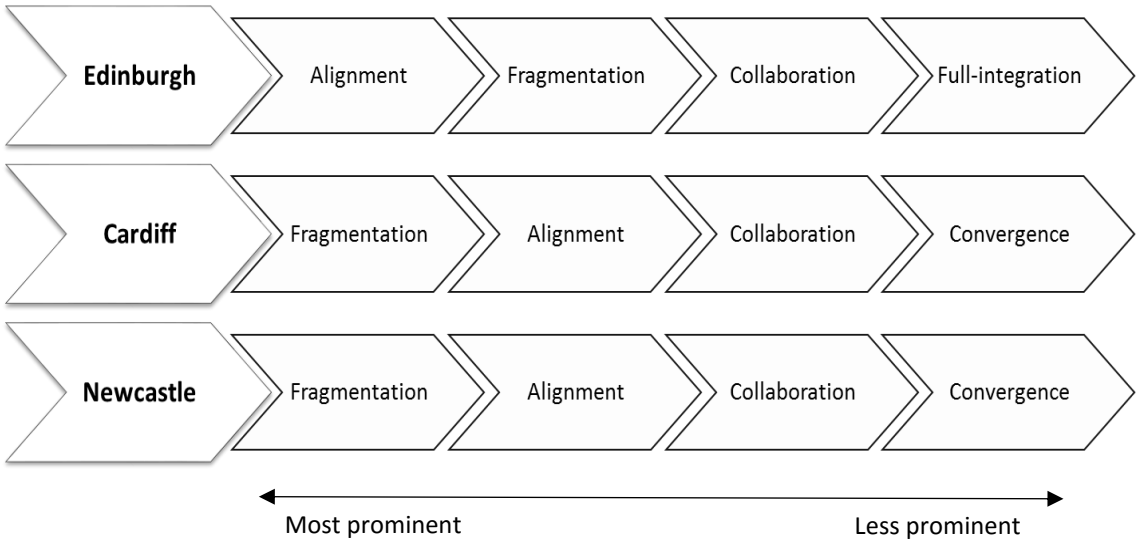
Some examples of collaboration between the national, devolved and local levels existed. For instance, the Employer Offer in Edinburgh, the Single Employer Offer in Cardiff, and Newcastle Futures in Newcastle (see Section 6.2.1, 7.2.1, and 8.2.1 in Chapter 6, 7, and 8 respectively). Although Newcastle Futures is unique in the sense that it brings Jobcentre Plus and a local government agency together as a hybrid agency, there are questions about the common objectives shared and the discretion and flexibility of Jobcentre Plus.

9.1.2 – Horizontal Coordination: Policy Areas Relations

The activation approach (see Chapter 2 Section 2.2.2) has prompted discourse in official documents and in the literature in the field on more holistic, personalised, and localised service provision. The literature stresses that new governance forms that allow multi-sector joined-up seamless service delivery are required (Karjalainen 2010, Saikku & Karjalainen 2012). The black-box approach of the Work Programme can arguably facilitate coordinated services (see Chapter 2 Section 2.2.3). In Great Britain, there is coordination between social assistance and employment services due to the integration and centralised nature of both policy fields (see Chapter 2 Section 2.2.1). The literature has focused on coordination between these two policy areas (Champion & Bonoli 2011, Genova 2008), but this thesis looks at the types of coordination across a number of policy areas in Edinburgh, Cardiff, and Newcastle. The types of coordination are depicted in Figure 9.2.

In Cardiff and Newcastle, fragmentation is the most dominant across policy areas.

Figure 9.2 – Most prominent types of multi-dimensional coordination



Source: Author

In Edinburgh, at least between statutory actors, alignment is sought through Community Planning Partnerships. However, in the three cities there is alignment between specific policy areas, usually skills policy and employability. In Edinburgh, policy areas such as housing and employment do not seem to relate to each other, while between some others policy areas, such as skills and employment, there was some direct interaction and adjustment of strategies (see Chapter 6 Section 6.2.2). In Cardiff, the employability strategy appears to be disconnected from other policy areas such as social assistance and social exclusion initiatives which are linked through the Cardiff Partnership and the What Matters strategy (as detailed in Chapter 7 Section 7.2.2).

However, there seems to be a level of alignment in areas such as education-skills and employability, especially for younger age groups through initiatives such as the Welsh Baccalaureate. In Newcastle, until its disbandment, the Newcastle Partnership brought together policy areas at local level; since its loss, there appears to be no structure in place capable of maintaining multi-dimensional alignment or collaboration (see Chapter 8 Section 8.2.2). In Newcastle, policies such as health and childcare are disconnected from employability, but there is some interaction between skills and employability, even if that coordination is not systematic.

In Edinburgh, there were some instances of policy areas working together towards a shared objective or common purpose, often as a result of contractual requirements such

as with the Hub, or due to policy guidelines. Newcastle's equivalent of Edinburgh's Hub is Newcastle Futures, with both operating as case management models. In the case of the Hub, cooperation along a pipeline of service provision is achieved through contractual arrangements. Newcastle Futures' collaboration with other providers is less pre-established. In Cardiff, some policy areas also work together, mostly as a result of government initiatives such as Communities First or What Matters, or during development projects such as the extension of the Cardiff Shopping Centre. In Newcastle, through Newcastle Futures, housing and employability collaborate to the extent that there is some convergence of housing services toward employability objectives. In Edinburgh, there was an instance of full integration between the City of Edinburgh Council's employability department and its economic development department. This is not the case in Cardiff, where both policy areas continue to work in relative isolation, although there were limited examples of convergence towards employability objectives by various departments.

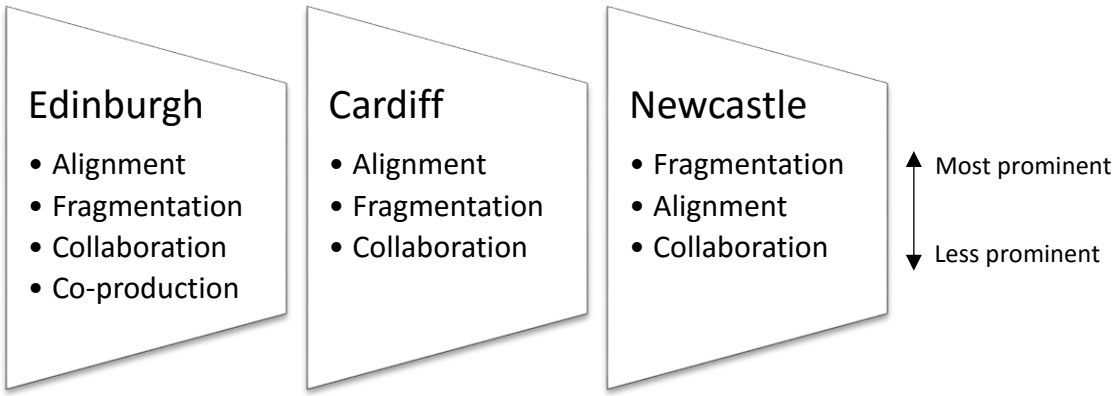
9.1.3 – Horizontal Coordination: Relations between Service Providers

There is a multitude of service providers in the organisational field of labour market policies for the long-term unemployed in the three cities (see Chapter 6, 7, and 8, Sections 6.1.2, 7.1.2, and 8.1.2 respectively), even if the Work Programme has rationalised the provider landscape through bigger single contracts (Chapter 2 Section 2.2.3). The often complex and cumulative barriers to labour market participation, and the likelihood that no a single provider will be able to offer all the services required, make coordination necessary. In Chapter 2 Section 2.4.1, the types and reasons for multi-actor coordination found in the literature were explored. The types of coordination amongst employment service providers found in Edinburgh, Cardiff, and Newcastle within the organisational field of labour market policies for the long-term unemployed are depicted in Figure 9.3 below.

In Cardiff, a number of boards or networks bring providers together to share information and align services such as the Cardiff Community Learning Network, or the Federation of Training Providers. However, limited coordination between service providers seems to be common (i.e. akin to fragmentation). Collaboration happens often as a result of stakeholders coming together to deliver or plan projects, for example to implement

devolved strategies at the local level such as Families First. Even though some of these could be examples of co-production, the empirical data does not allow us to draw that conclusion.

Figure 9.3– Most prominent types of multi-stakeholder coordination



Source: Author

The third sector appears prominent in the provision of local and devolved social services. In Newcastle, fragmentation appears common between stakeholders (as presented in Chapter 8 Section 8.2.3). Newcastle Futures, as a case management organisation brings together some employability actors. The City Deal is trying to link actors from different sectors, and the Regional Work Programme Board, which is perhaps unique in England, attempts to facilitate alignment of actors rather than higher level coordination. In the economic and employment policy arena, the third sector does not seem to be strongly represented.

9.1.4 – Summary

There are instances of vertical and horizontal coordination at the local level in all three case studies. Nevertheless, coordination could be improved and encouraged. For each of the coordination dimensions of interest to this thesis, there are slight differences as well as commonalities on the most common types of coordination found in each city. Important insights could be gained from the analysis of the mechanisms that lead to local differences. Obtaining a better understanding of how to improve coordination in inter-organisational relations might be achieved by analysing the processes underpinning inter-organisation relations and coordination types. These processes are explored in the next section.

9.2 – Governance Processes

Governance is defined as an all-encompassing framework of interactions, including the principles, institutions, structures, mechanisms and processes guiding them (Chapter 2 Section 2.3). When considered along with the theory set out in the literature review (Bode 2006, Damm 2012, Finn 2005, Zimmermann & Fuertes 2014), the empirical investigation indicates that the governance of labour market policy for the long-term unemployed can be classified as predominantly characteristic of new public management (see Chapter 5 Section 5.2.1). The literature in the field suggested that governance influences the existence and nature of inter-organisational relations in labour market policy implementation (Lowdnes & Skelcher, 1998). In this section, the governance of coordination found in the three case studies is analysed in a comparative manner. The analysis is guided by the governance typology explored in Chapter 3 Section 3.2 (i.e. public administration, new public management, and new public governance).

To determine the type of governance of inter-organisational relations, attention is focussed on the regulation mechanism and the mode of interaction between actors (see Chapter 3 Section 3.2.2). This analysis explores the empirical and actual domain of reality (where events happen independently of actors' experience of them) as per a critical realist approach. Hierarchical, market, or network mechanisms overlap with the three governance typologies mentioned above, which are explored in turn next.

9.2.1 – Coordination underpinned by Public Administration

There are inter-organisational arrangements that can be categorised as typical of public administration governance, where coordination is embedded in policy processes and structures (see Chapter 3 Section 3.2.2). These policy-driven coordination avenues use administrative hierarchy to facilitate or establish inter-organisational relations: rules and structures that set out the mode and regulation of coordination are established in policy documents and directives (Lowdnes & Skelcher, 1998). Policy-driven coordination requires planning and can support policy development or implementation.

In Edinburgh, Community Planning Partnerships are an example of policy-driven coordination facilitated and regulated through guidelines and structures and by the Single Outcome Agreements with the Scottish Government as explained in Chapter 5 Section 5.2.2. This is typical of public administration governance, where coordination is

embedded in formal policy processes and structures. In Cardiff, national and local devolved government initiatives that bring various organisations together such as Families First, Communities First, and What Matters require government's guidelines in term of the objectives, structures, and accountability of these initiatives (see Chapter 5 Section 5.3.1). In the first two examples, the devolved government relies on contracts to deliver programmes in which organisations coordinate; while in What Matters, guidelines help to bring statutory organisation together at a strategic level to create programmes based on the strategic objectives. This arrangement also has characteristics of new public governance especially in the areas where policy has allowed for greater discretion. In Newcastle, the Regional Development Agency was a structure for coordination between a number of local areas and the national government. New Local Enterprise Partnerships are similarly organised regionally, however the structures and guidelines are not yet developed in order for this body to fall under policy-driven coordination (see Chapter 5 Section 5.2.2).

Policy-driven guidelines create many of the boards that bring organisations at various administrative levels and from various policy areas together, and the operation of these boards is greatly determined by the guidelines. In Cardiff, this is for instance the case of the Joint Employment Delivery Board and the Council for Economic Renewal (see Chapter 7 Section 7.2.1), and the Employment and Skills Board (Chapter 7 Section 7.2.2). In Edinburgh, the Community Planning Partnership (Chapter 6 Section 6.2.2) or Joined Up For Jobs (Section 6.2.3) are examples of this. While in Newcastle, this is the case for theme boards such as Welfare Reform Board (Chapter 8 Section 8.2.2) or the Employment and Skills Board (Section 8.2.1). Often forums did not seem to result directly in any higher type of coordination, or in some cases achieve coordination outwith the statutory actors. In Cardiff, some examples of convergence towards employability objectives by various departments were due to local government guidelines (Chapter 7 Section 7.2.2).

9.2.2 – Coordination underpinned by New Public Management

Inter-organisational arrangements underpinned by market mechanisms can be categorised as typical of new public management governance, where coordination is embedded in contractual arrangements (see Chapter 3 Section 3.2.2). These contractual

coordination mechanisms use clauses to facilitate or establish inter-organisational relations: requirements for coordination are set out in tendering guidelines. Contract-driven coordination often requires planning prior to implementation—as a strategic decision in policy development or as a response to available funding opportunities—and can support both policy development and implementation.

Contractual coordination uses market mechanisms, either through principal-agent relations or through consortiums where a number of providers enter into contractual arrangements. The Hub contract in Edinburgh, an initiative of the local government, is an example of both (Chapter 6 Section 6.1.3). First, it involves a consortium for policy development and implementation. Second, it includes principal-agent relations during implementation underpinned by a case management model. A case management model can consist of the lead organisation—often the organisation that has established the contractual relations with other providers—managing the provision path for service-users by referring them to the providers that have been contracted-out. Newcastle Futures operates as a case management model, even though not all coordination is contractual and is not entirely strategically planned (Chapter 8 Sections 8.1.2 and 8.2.2). In Cardiff, the local implementation of devolved and local government initiatives, such as Communities First and Families First, is on occasions contracted-out through both consortiums and principal-agent relations (Chapter 7 Section 7.1.3). The Work Programme is an example in all three cities of user-centred service coordination through principal-agent relations via a case management model. The Department for Work and Pensions' black-box contractual model for service delivery, allows providers' discretion and flexibility in the delivery of the programme (see Chapter 2 Section 2.2.3). However, the extent of principal-agent coordination through this programme seems to have been limited as a result of scarce resources (Chapter 6 Sections 6.2.2 and 6.2.3).

Outcome measures in contractual relationships can similarly lead to a convergence towards employability from other policy areas. This is the case with some contractual relationships such as the principal-agent relationships in the Work Programme, and in Cardiff City Council Social Services Department (Chapter 7 Section 7.2.2).

9.2.3 – Coordination underpinned by New Public Governance

Inter-organisational coordination underpinned by network mechanisms can be categorised as typical of new public governance (see Chapter 3 Section 3.2.2). These network mechanisms can be facilitated by policy- and contract-driven coordination as we have seen in the two preceding subsections. However, it is considered that new public governance uses mechanisms to achieve coordination that are neither policy- nor contract-driven (Duit & Galaz, 2008). Discretionary and ad-hoc relations are often characteristics of network coordination: coordination is often the result of practical needs or innovative ideas, in spaces where organisations are able and willing to coordinate. Discretionary and ad-hoc coordination relies, to a large extent on actors' networks and leadership, and requires various levels of planning. In Cardiff and Edinburgh, the Single Employer Offer and the Employer Offer respectively are characteristic of this type of discretionary coordination emerging through practical needs (Chapter 7 Section 7.2.1 and Chapter 6 Section 6.2.1). The coordination between Your Homes Newcastle and Newcastle Futures is characteristic of discretionary coordination by the leadership (Chapter 8 Section 8.2.2), which is also the case regarding the coordination between Jobcentre Plus and the council in Newcastle Futures (Chapter 8 Section 8.2.1).

Discretionary and ad-hoc coordination often, but not always, seems to occur irrespective of the development of policy. However, discretion can be embedded in policy development to encourage coordination when necessary, without prescribing its type or timing. For example, Jobcentre Plus' recent Flexible Support Fund seems to be designed to encourage this type of coordination (Chapter 6 Section 6.2.1). This is arguably also the case in the Work Programme which, through the black-box model, allows and facilitates discretionary contractual and network coordination primarily through case management (Chapter 2 Section 2.2.3). However, as a result of the devolved governments' guidelines on access to local service provision by Work Programme primes (see Chapter 6 and 7, Sections 6.2.1 and 7.2.1 respectively), the extent of coordination through case management and networks appears to have been curtailed in Edinburgh and to have been limited in Cardiff. In Newcastle, the Regional Work Programme Board is an example of network coordination, however the engagement with it seems to be limited (Chapter 8 Section 8.2.3).

Where public administration governance facilitates or creates forums or working groups that allow (rather than prescribe) interested organisations to come together to coordinate, the type of governance that evolves can become more reminiscent of new public governance. However, these forums generally only promote information exchange rather than a higher level of coordination. Examples include the Joined Up For Jobs Forum in Edinburgh (see Chapter 6 Section 6.2.3), the Joint Employment Delivery Board in Cardiff (see Chapter 7 Section 7.2.1), and the Economic Development and Employment subgroup in Newcastle (Chapter 8 Section 8.1.2). New public governance can likewise occur when providers unite as a consortium to access funding opportunities that require coordination and partnership-working. Coordination involving principal-agent relations is categorised as new public management.

9.2.4 – Summary and Propositions

During the analysis of the empirical data, it was apparent that various mechanisms for coordination existed in the three cities: policy-driven, contractual, and discretionary and ad-hoc. These mechanisms can be characterised as typical of public administration, new public management, or new public governance respectively.

Governance types seem to lead to different avenues for coordination: public administration tends to develop coordination through guidelines and rules; new public management through contract mechanisms; and new public governance through actors' discretion and interests in coordination. Nevertheless, it is apparent that mechanisms characteristic of the various governance types coexist in many of the coordination examples analysed. For instance, public administration governance is seen to encourage network coordination through the setting up of forums and boards. New public management contracts can encourage principal-agent and case management coordination, but can also produce new public governance coordination around funding or projects. Equally, contractual-based coordination often needs policy-driven guidelines or direction to facilitate coordination.

The analysis of the data shows that while characteristics of new public governance do exist within the organisational field of labour market policy, this is not the dominant governance type. Furthermore, new public governance is often facilitated or achieved

by other governance forms such as public administration and new public management. Based on this analysis, the thesis' proposition number one is rejected.

> Proposition 1: New public governance characteristics will be prevalent, along with other characteristics from other governance types, in the field of labour market policy for the long-term unemployed.

It is argued that new public governance characteristic are found in the organisational field of labour market policy but cannot be said to be predominant. Based on the analysis, the thesis' proposition number two is partially accepted.

> Proposition 2: New public governance being the dominant form of governance in the policy field will facilitate coordination between actors.

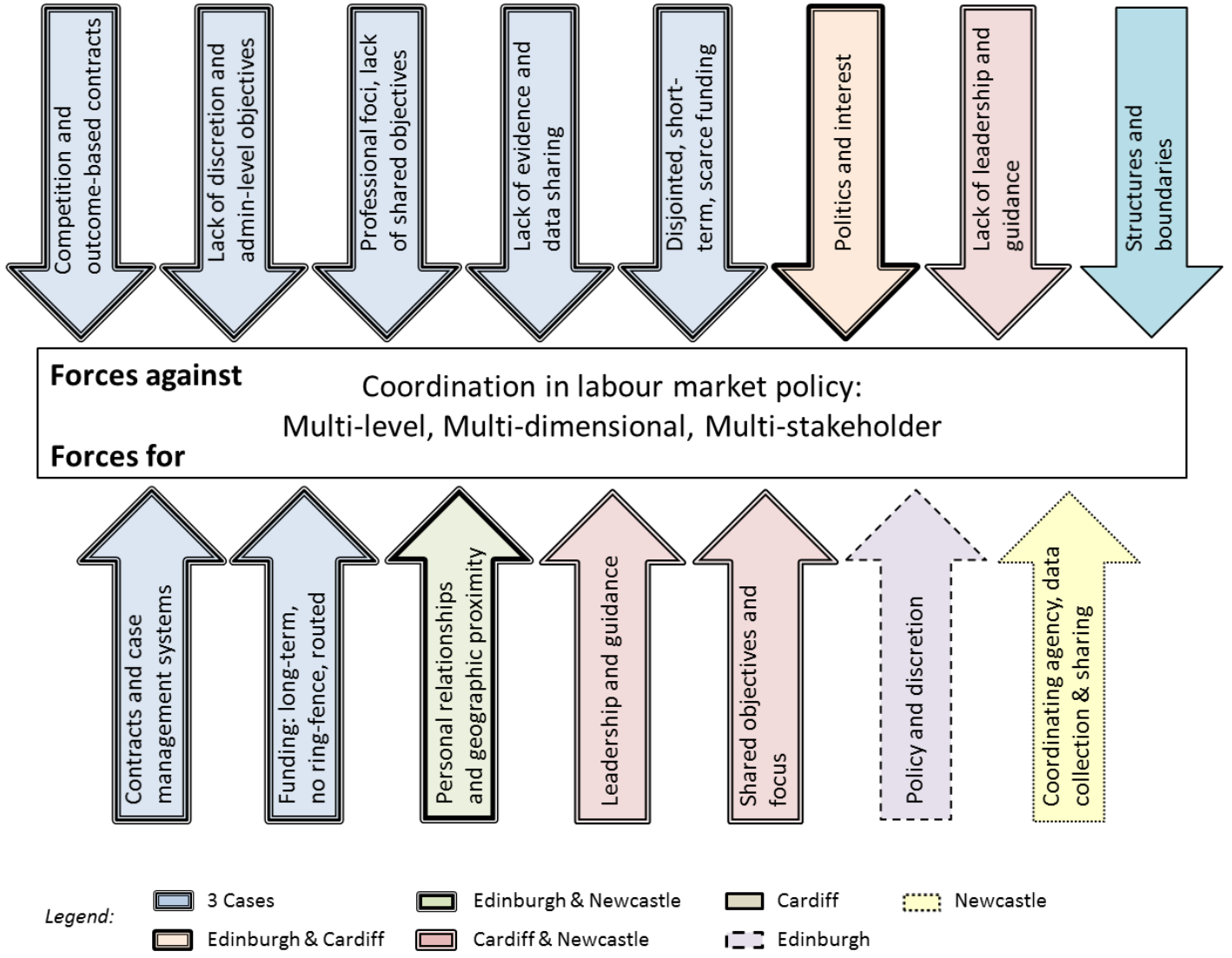
It is argued that although new public governance can facilitate coordination, for a number of reasons, this is not always the case. An analysis of the factors that facilitate or hinder coordination is the focus of the next section.

9.3 – Facilitators of and Barriers to Coordination

In this section, the facilitators of and barriers to coordination are analysed in a comparative manner for the three cities. As per the thesis' critical realist approach, this analysis explores the empirical domain of reality, which consists of direct and indirect experiences. Using Force Field Analysis, empirical data regarding the forces for and against coordination in labour market policy in Edinburgh, Cardiff, and Newcastle are summarised in Figure 9.4 below.

Force Field Analysis was developed by Kurt Lewin (1951) and is commonly used to analyse and justify decisions and actions, usually in business topics (Swanson & Creed, 2014). In this thesis, the analysis aims to show the number of factors that facilitate or hinder coordination without placing any weight on them. Scholars cluster reasons for coordination according to different disciplines. The analysis of the empirical data in this section is guided by the theoretical classification of reasons behind inter-organisation relations detailed in Chapter 3 Section 3.3.2: the resource dependency model, and the system change model (Sandfort & Milward 2008). Elements facilitating or hindering coordination characteristic of each model are explored next.

Figure 9.4 – Coordination barriers and facilitators in labour market policy by city



Source: Author / Note: admin-level = administrative level

9.3.1 – Resource Dependency Theories

Some of the barriers and facilitators to coordination uncovered during the empirical analysis correlate with the theory presented within the literature on resource-dependency. This literature argues that collaboration can help reduce uncertainty and gain competitive advantage in challenging environments where resources are scarce and competition is high (Alter & Hage 1993, Ebers 1997, Gulati et al. 2000, Thomson et al. 2007, Williamson 1991). The literature on resource dependency can also contribute to an understanding of how collaboration can facilitate access to limited resources (Lotia & Hardy, 2008).

According to participants in all three case studies, a scarcity of resources within a challenging funding environment could have the effect of forcing coordination between actors, a proposition that, in principle, supports resource-dependency theories (Lowdnes & Skelcher 1998, Thomson et al. 2007). In practice however, in all three case studies, where environments were resource-scarce, increased competition, budget-protection, and resource-rationalisation led to reduced coordination. Whilst viewed as beneficial in terms of quality of overall service-delivery, collaboration can also at times be seen as a threat to survival, or as an investment of valuable resources with little or no, or even negative, returns. In Cardiff and Edinburgh, funding that is streamed or ring-fenced had the effect of erecting artificial barriers between departments, separating them and making them protective of their particular funding-allocation, with a predictable negative impact on coordination. In the Newcastle case study, data collection and sharing was considered crucial in order to better-target resources.

In the case studies contracts appear to have negative effects on cooperation among providers, especially because there is competition between providers, and because resources are scarce. This seems contrary to some literature on inter-organisational relations (Lowdnes & Skelcher 1998, Thomson et al. 2007). Contractualisation, based on competition and outcome-based payments, seemed to hinder coordination. Nonetheless, in all three case studies, contracts or performance-management were believed to facilitate coordination in diverse ways: firstly, by embedding coordination guidelines in contracts; secondly, by employing principal-agent contractual relations such as Edinburgh's Hub; thirdly, through the use of employability focused performance-

related outcomes that create convergence, as exemplified in Newcastle and Cardiff. In some of these examples, including the Hub, coordination appears to be strategically planned during the development of policy. Nevertheless, coordination through contracts can also emerge, as seen in Edinburgh and Cardiff, as a practical response to available funding opportunities.

In all three case studies, an environment that is overcrowded with providers appears to hinder coordination. Contracts that rationalise provision can reduce the number of providers and facilitate coordination, as happened in Edinburgh in 2009 when the council merged employability and economic development responsibilities (see Chapter 6 Section 6.1.1). However, rationalisation can create a 'mono-culture' in service provision through the displacement or disappearance of specialist providers, as other scholars have mentioned (Osborne et al. 2012, van Berkel, de Graaf & Sirovátka, 2012). Examples of this can be seen in all three case studies with regards to the Work Programme, as a result of the limited degree of subcontracting by primes of specialist service providers. The same pattern of subcontracting has been seen in other research (Egdell et al. 2016, Fuertes & McQuaid 2016).

The use of administrative power by the devolved governments in relation to the Work Programme has hindered coordination between actors in Edinburgh and Cardiff. This was more pronounced in Edinburgh as, unlike in Wales, the devolved government in Scotland had not entered into an agreement on access to local services by the Work Programme. One reason behind these devolved governments' use of power is to protect resources and avoid duplication (i.e. resource dependent factors). This shows that, as critical approaches assert (Lotia & Hardy, 2008), power and vested interest influence collaboration. Power imbalance between policy-makers and service-providers hinders coordination, as a result of control of, and the need for, resources respectively. This was said to be the case in the Joined Up For Jobs Forum in Edinburgh. As the case studies show however, the use of power by administrative levels and other actors can also be explained through system change theories, which is the focus of the next subsection.

9.3.2 – System Change Theories

Some of the barriers and facilitators to coordination uncovered during the empirical analysis correlate with the theory presented within the literature on system change (see

Chapter 3 Section 3.3.3). This literature explains inter-organisational relations as a result of social factors. In all three cases studies, a lack of shared objectives and of shared focus were found to hinder coordination. The literature suggests that shared objectives or shared frames of meanings keep some policy networks together and stable (Klijn 2008, Lotia & Hardy 2008a, Miles & Trott 2011, Osborne et al. 2011). The lack of shared objectives were a result of three factors.

Firstly, due to the fact that organisations have different policy-directives and aims, some of which are irreconcilable. For instance, in Newcastle, the aims of national labour market policy appear to contradict those of the local skills and economic policy. In all three cities, coordination was hindered as a result of tensions between national policy aims and directives implemented by Jobcentre Plus and Work Programme primes, and those of the devolved/local governments. An example of this is the devolved governments' use of their administrative powers to position themselves against the objectives of national labour market policy. This suggest a decision that is ideological but can also been seen as strategic in political terms. This ties with Fiss' (2008) assertion that implementation is a political and a cultural process as well as a technical one.

Secondly, a lack of shared objectives was due to a lack of understanding and trust between organisations. For instance, due to misgivings about the motives and effectiveness of other organisations, some third and private sector organisations in Cardiff and Edinburgh were reluctant to coordinate. This supports the literature that found that trust and open attitude facilitate coordination (Osborne et al. 2011).

Thirdly, a lack of shared objectives because of organisations' professional foci keeping them centred on their own policy area. For instance, professional foci led council departments to work in silos, with limited coordination, including Cardiff's economic development and employability departments, Edinburgh's housing and employability departments, and Newcastle's childcare and employability departments.

It appears that restrictive and inflexible goals and objectives, lack of understanding, and narrow professional foci have, to some extent, been overcome in all three cities: through policy-guidelines and data sharing in Edinburgh's Hub contract; in Cardiff, shared objectives on digital exclusion have facilitated coordination between organisations around programmes; in Newcastle, discretionary initiatives have brought housing and

employability providers together around common aims. In all three case studies, it was considered that, without data sharing between organisations, it would be difficult to overcome the issues created by different aims, narrow professional foci, and, especially, lack of trust.

Even when similar objectives or an inclination to coordinate exists amongst actors, limited discretion created a barrier to coordination. For instance, in all case studies, Jobcentre Plus' relative lack of local discretion prevented extensive coordination between them and local actors. This is supported by other research (Green & Orton 2009, Policy Research Institute 2004). Even in the case of Newcastle Futures, collaboration between Jobcentre Plus and the Council is hindered by Jobcentre Plus' relative lack of discretion. Coordination with actors that have limited discretion often occurs in areas where they are able to collaborate: for instance, around the Employer Offer in Edinburgh and Cardiff, and in Newcastle in some areas through Newcastle Futures.

Nevertheless, the existence of discretion and desire to collaborate does not always result in actual coordination, since factors such as lack of or scarce resources (whether time, staff, or capital), leadership vacuums, or limited ingenuity seem to impede it. For instance, scarce resources was a factor for organisations in all three case studies, and appeared to increase protectionism and create barriers to developing and maintaining inter-organisational relations. Leadership vacuums existed in Cardiff regarding the local employability strategy, and in Newcastle in relation to the Local Enterprise Network, with the result that coordination was reduced. Finally, limited ingenuity, which results in opportunities for coordination not being realised, seem to stem from path-dependency, as the case in the City of Edinburgh Council with regards to non-ringed fence budgets, or from uncertainty with regards to responsibilities and accountability.

Historical relations in Newcastle, and personal relationships and geographic proximity in Edinburgh, seem to facilitate coordination. As the literature argues, organisations are embedded in networks that facilitate and constrain their actions (Lotia & Hardy, 2008), hence there is also some influence of historical relationships or path dependency. In Edinburgh, these networks were used not only to gain advantage by, for example, accessing funding, but equally to be able to provide more effective services. Forums

were useful in developing relationships and sharing information; however, they were less effective in achieving coordination other than alignment. This was often a result of the forums' lack of or limited remit, discretion and resources, and also due to actors' lack of voice and influence. Case management contracts are used to facilitate coordination in Edinburgh and Newcastle. In Edinburgh, the Hub brings some organisation together through principal-agent relations, and others through geographic proximity.

9.3.3 – Summary and Propositions

During the analysis of the empirical data, it was apparent that the factors mentioned as barriers to or facilitators of coordination could be classified as either internal need for resources or commitment to an external problem. Scare resources and competition seem to result in protectionism and less coordination, especially in outcome-based contractual settings. Overcrowded or over-rationalised (i.e. too few providers) providers' environments seem to hinder coordination. Imbalanced power relations based on resource control deter coordination, even when contractual arrangements tend to facilitate coordination through, for example, case management principal-agent relations. Based on this analysis, the thesis' proposition number three is accepted.

> Proposition 3: the greater the scarcity of resources and the stronger the competition, the lower the coordination between actors.

Different aims, lack of trust, and different professional foci stop organisations from having shared objectives and focus and are barriers to coordination. Even when shared objectives exist, structural factors such as limited discretion, leadership vacuums and limited ingenuity, create barriers to coordination. Personal relations and proximity facilitate inter-organisational relations, while political consideration can do the opposite. Based on the analysis, proposition number four is partially accepted.

> Proposition 4: the greater the agreement on goals and purpose, the greater the coordination between actors.

It is argued that shared goals and purpose facilitate, but do not guarantee coordination, since structures and resources are central to achieving coordination.

This analysis has permitted the identification of processes and mechanisms that facilitate or hinder coordination within a given context. However, this analysis did not explain why actors have similar/dissimilar values and objectives, which is the focus of the next section.

9.4 – Institutional Logics

In this section, field-level logics in the organisational field of labour market policy for the long-term unemployed and their influence on coordination is described in a comparative manner. As per the thesis' critical realist approach, this analysis explores the 'real' domain, where mechanisms operate as the cause of events. Labour market policy for the long-term unemployed constitutes an organisational field: i.e. a recognised area of institutional life (see Chapter 3 Section 3.4.1). Key stakeholders in the field interact with one another, and their membership to an institutional order and of the organisational field provides them with situational logics (DiMaggio & Powell 1983, Mutch 2014, Scott 2008, Wooten & Hoffman 2016). The organisational field is part of an inter-institutional system and actors within the field relate to one another and to the wider cultural and social structures (see Chapter 3 Section 3.4.2).

An analysis of the key stakeholders identified, shows that they are structured into the organisational field by the institutional orders and logics of the state, market, and community (Thornton et al. 2012). Each logic influences actors' aims and strategy and, therefore, guides their actions while operating in the field (see Chapter 6 Section 6.2.1, Chapter 7 Sections 7.1.3, 7.2.1 and 7.2.3, and Chapter 8 Sections 8.2.1 and 8.2.2). While all the actors within the field provide a social service, the ultimate aim of some actors is to increase profit through competitive efficiency in the provision of these services (i.e. market logic, see Chapter 3 Section 3.4.2): these actors belong to the private sector. The ultimate aim of some other actors is the provision of social services through the implementation of certain values and processes based on knowledge (i.e. community logic): these actors belong to the third sector. Finally, the ultimate aim of some other actors is the provision of public services based on official objectives, processes, and regulations (i.e. state logic): these actors belong to the public sector. These logics are enacted and coexist in the organisational field, and can and do collide and affect actors' relations (Wooten & Hoffman, 2016). They can also shape the field-level logic.

Institutional field-logics aim to explain the relation between social structures and action and assumes embedded agency by actors (DiMaggio & Powell 1983, Lawrence et al. 2002, Scott 2008, Thornton & Ocasio 2008).

The analysis of the data shows two field-level logics in the organisational field of labour market policy for the long-term unemployed. The field-level logic is shaped by the dominant institutional logic of the various organisations and it establishes cultural symbols, material practices, and power relations (Thornton et al. 2012, Wooten & Hoffman 2016). The first field-level logic is established by the UK Government when setting the aim of labour market policy, the regulation and accountability mechanisms, and the mode of interaction between various actors in the field. The organisational field is the space where the policy is effected, so the aim of the policy is the aim of the field. The aim of the organisational field is the quick movement of long-term unemployed individuals in receipt of out-of-work benefits into paid employment, and their exit from the benefit roll (see Chapter 2 Section 2.2.1). Activation policies are the tools developed at national administrative level, and implemented at local level by Jobcentre Plus and contracted-out providers to achieve this aim (see Chapter 2 Section 2.2.2). The resources and strategies in policy implementation match the aim mentioned above.

The second field-level logic results from local and devolved governments. At local level, labour market policy is important due to its connection to local socio-economic outcomes such as economic growth and social exclusion. Consequently, the local and devolved administrative levels develop employability policies. The aim of these policies is moving people, often particular groups of more disadvantaged people, into paid employment by tackling barriers to participation in the labour market through specialist services (Chapter 6 Section 6.2.1, Chapter 7 Sections 7.1.3 and 7.2.1, and Chapter 8 Section 8.2.1). Even though the aim of both field-level logics is the same (i.e. moving people into paid employment), the material practices and symbolic constructions which guide actors' behaviour in each field-level logic are different. The regulation and control mechanisms, the mode of interaction between actors, and even the actors implementing policy differ between the two field-level logics.

The first field-level logic fits the work-first approach to labour market policy that other scholars have described and the literature review explored (Bivand et al. 2006, Daguerre

2007, Dean 2003, Finn 2000, Lindsay et al. 2007); while the second logic seems more in line with the human capital approach (Lindsay et al. 2007) discussed also in Chapter 2 Section 2.2.1 . New public management governance, in terms of contract and payment by result, underpins both logics but, in all three case studies, more so the first field-level logic. In terms of service providers, the second field-level logic appears to prioritise specialist services and third sector providers in Edinburgh, Cardiff and, to a lesser extent, Newcastle. It seems that in Edinburgh and Cardiff, and overall in Scotland and Wales, there is a greater preference towards the public and third sector as public services providers compared to England (see Chapter 6 Section 6.2.1 and Chapter 7 Section 7.2.3). Equally, public sector and, especially, third sector providers seem to reject the first field-level logic as inadequate in order to effectively tackle their service-users' labour market barriers.

These two field-level logics, and the institutional logics of different actors, create tensions in inter-organisational relations within the organisational field. Actors guided by a community logic find it difficult to operate within the work-first logic and with actors guided by a market logic. The first field-level logic appears to be less favourable to, and have the effect of displacing, actors with a community logic. On the other hand, the second field-level logic seems to neglect actors guided by a market logic in favour of actors guided by a community or state logic. This clash of field logics is voiced more strongly in the Cardiff case study (see Chapter 7 Section 7.2.3). These tensions result in barriers to coordination amongst actors, and feeds into a lack of understanding and trust between actors. The tension between the two field-level logics is easily visible in the Work Programme, and has resulted in administrative actors exercising their power (therefore, according to a critical realist approach, moving from possessed to actualised power) and metaphorically erecting a barrier between national and devolved/local policy.

An interesting development within the first and dominant field-level logic is the arguably slight move from work-first towards a more employment sustainability focus and career-first approaches (McQuaid & Fuertes, 2014) in the Work Programme. This change in policy aim affects the field-level logic and therefore the regulation mechanisms and mode of interaction between actors. The move towards more flexibility and discretion in the implementation of labour market policy at local level aims to achieve personalised

services which, in most cases, will require coordination between service providers. There is, however, a tension and even a contradiction between this change in logic and the resources available to enact it, as the resources available are suitable for the implementation of a work-first field-level logic.

9.4.1 – Summary and Propositions

To sum up, actors' dominant logics collide and affect actors' relations and can shape the field-level logic. In the case studies, a lack of understandings or lack of trust between organisations, often between third sector and private sector organisations, were shown to be barriers to coordination. This lack of trust was explained as a result of different priorities and aims in service provision. In broad terms, some third sector providers viewed private providers as more interested in acquiring contracts and profit than providing services, while some private providers regarded the third sector as ineffective and supported by the public sector in spite of poor outcomes. Based on this analysis, the thesis' proposition number five is partially accepted.

> Proposition 5: Organisations from different sectors will be less likely to coordinate in the organisational field due to different institutional logics.

It is argued that this was evident in all three case studies, perhaps more so in Edinburgh and Cardiff than in Newcastle. This is in part due to the administrative setup and contextual factors, such as the structures and resources available.

Based on the analysis, proposition number six cannot be ascertained from the evidence from this thesis, since all three case studies have similar competing institutional logics.

> Proposition 6: Organisational fields with fewer competing institutional logics will have more inter-organisational relations.

As the analysis shows, coordination is multiply determined and no one single mechanism or element causes the existence or lack of coordination. Even if this is the case, some policy recommendation might help to better achieve coordination in the development and implementation of labour market policy for the long-term unemployed. This is the focus of last section in this chapter.

9.5 – A Framework for Better Coordination

In the previous four sections of this chapter, the comparative analysis of the case studies has focused on four areas. Firstly, inter-organisational relations were categorised according to the strength of these relations. Secondly, types of coordination were classified according to the governance forms displayed. Thirdly, the reasons behind the existence or lack of coordination were explored. Fourthly, actors' institutional logics and field-level logics were analysed.

In this last section, the thesis' aim is directly addressed: to develop a framework of governance that might help to better achieve service coordination in the delivery of labour market activation policy for the long-term unemployed. The section is structured in two subsections. In the first, the three themes that have emerged as key to coordination are explored. Based on this analysis, a tentative framework is presented and discussed in the subsequent subsection.

9.5.1 – Themes

The three themes that have surfaced throughout the analysis as key to facilitating or hindering coordination are: discretion, resources, and objectives.

Discretion

Discretion affects coordination between administrative levels. National policy and actors' relative lack of discretion was a reason for the limited and fragmented coordination between administrative levels in all three case studies. Limited discretion is a feature of the centralised nature of labour market policy in Great Britain. Previous research refers to it as centralised localism (Lindsay & McQuaid 2008, Minas et al. 2012, Zimmermann & Fuertes 2014). As a result, national policy is implemented at the local level without any local government input, and the local strategy wraps around national provision. The Work Programme has highlighted this limited coordination. In Edinburgh and Cardiff, the devolved Scottish and Welsh Governments have used their administrative devolved powers to ensure Work Programme providers cannot access local provision unless they pay for it. The devolved governments' stance aims to avoid duplication and protect resources (i.e. resource dependency theories), but the decision

is also a result of the tension between administrative levels' policy goals and political ideologies (i.e. system change theories).

Work Programme primes have been afforded almost complete discretion in service-provision through the black-box approach to service delivery (Fuertes & McQuaid, 2013b). This discretion aims to achieve localism and personalisation of services, which will arguably require coordination between stakeholders. This discretion is embedded in contract guidelines and implemented through market mechanisms. However, this thesis demonstrates that the Work Programme has not achieved wide coordination between service providers. This is in part a result of devolved government guidelines in relation to the Work Programme, but also due to the financial model of the programme. The limited coordination with other providers through principal-agent relations has been mentioned by other studies (Egdell et al. 2016, Fuertes & McQuaid 2016, Newton et al. 2012).

Coordination between local and devolved governments seems stronger in Edinburgh than in Cardiff. This is in part a result of structures such as the Community Planning Partnerships through which the Scottish Government transfers responsibilities to the local level within a framework steered and resourced by the Scottish Government. In Cardiff, there appears to be limited avenues for coordination between the local and devolved levels. In Newcastle coordination between the national and local level was greater previously when the Regional Development Agency was in place (i.e. public administration governance).

Instances of collaboration between administrative levels in the three case studies occur in areas where actors have discretion and common interests. This coordination is characteristic of discretionary coordination (i.e. new public governance) as a result of practical common gains.

Resources

Policy areas usually operate in isolation from each other and develop strategies that are not linked to other policy areas. Structures such as Community Planning Partnerships in Edinburgh, the now defunct Newcastle Partnership, and the Cardiff Partnership, aim to link together at least statutory actors across policy areas. However, even with such structures in place, departmental budgets can be a barrier to coordination because they

encourage protectionism and create boundaries between departments (i.e. resource dependency). In Edinburgh, local government funding provided by the Scottish Government is not ring-fenced, but the local government streams the funding along departmental lines, perhaps as a result of path-dependency institutional factors. The merging of departmental budgets might result in increased coordination.

Competition, scarce resources, lack of and short-term funding, and outcomes-based contracts can hinder coordination because organisations become protectionist and often have fewer resources to dedicate to coordination (i.e. resource dependency). This has been cited in the literature (Heidenreich & Aurich-Beerheide 2014, Miles & Trott 2011, Stewart 2004). In Edinburgh, this was mentioned as the main reason for the lack of coordination between stakeholders. At the same time, contracts and outcome-based funding have delivered coordination through contract guidelines and requirements (i.e. new public management). Contracts can also reduce the number of providers and facilitate coordination between them. However, rationalisation of provision can affect the quality and accessibility of services.

Objectives

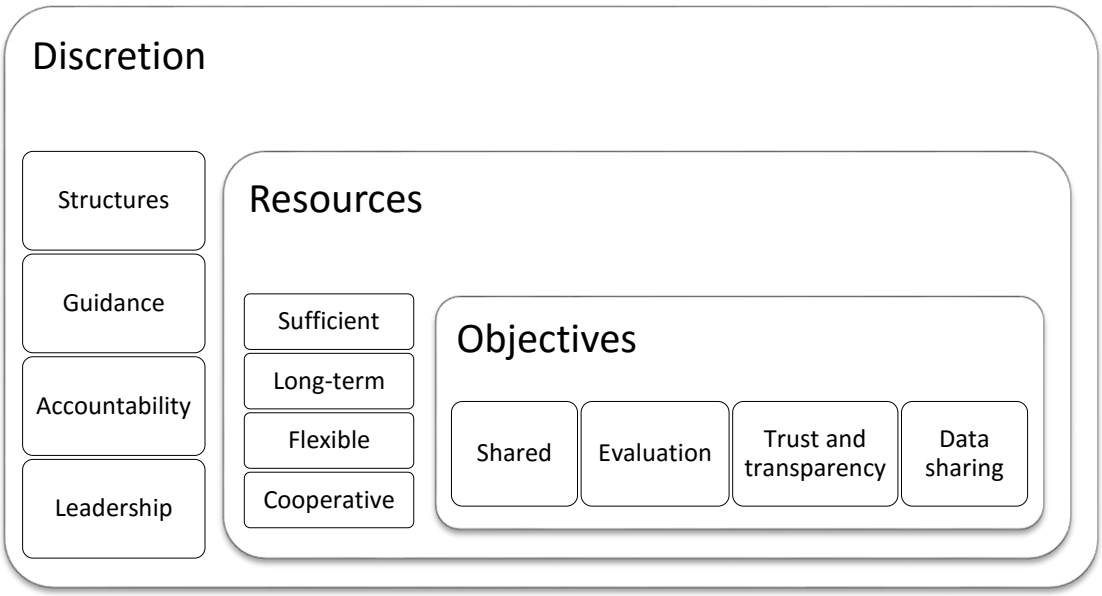
Different processes and goals, and limited or lack of understanding and trust between providers from different sectors, are barriers to coordination (i.e. system change theories). This is also mentioned by other scholars (Green & Orton 2012, Green & Orton 2009, Heidenreich & Aurich-Beerheide 2014, Stewart 2004). This was the key reason for limited coordination mentioned in Cardiff. Lack of shared objectives and narrow professional foci are other barriers to policy areas working together (i.e. system model theories). Data sharing and evaluation could support the targeting and sharing of resources and the development of common understanding and objectives. Lack of data and data sharing was the main reason for the limited coordination in Newcastle, and a secondary reason in Edinburgh.

Co-production seemed to be limited to cases where funding brings equal partners together to develop a service or initiative. This would be an example of new public governance underpinned by a contract

9.5.2 – A Tentative Framework

The three elements explored above appear to be necessary in order to achieve coordination. The analysis shows that coordination is multiply determined—it has multiple causes and no single mechanism determining the whole result—and the context is crucial to its realisation. Accordingly, the framework of governance that might help to better achieve coordination illustrated in Figure 9.5 and explained below, includes a multiplicity of interrelated factors. While in the figure, some factors seem contained within other set of factors, this is only a consequence of the visual representation. Even though discretion, resources and objectives are all necessary in order to facilitate coordination, as it will be explained below, objectives are not subsumed into resources or resource into discretion as the figure could imply.

Figure 9.5 – A framework for governance



Source: Author

The analysis shows that without discretion, organisations are unable to make strategic decisions, and their role is exclusively to implement policy. As a result, discretion is fundamental for the coordination of situated action. As Green and Orton (2012) and Bonvin (2008) indicate, flexible and dynamic systems of local governance where local actors have discretion and situated action—non-hierarchical action by local actors that have capability for voice—facilitate holistic policy (Green & Orton, 2009). Discretion by national actors is also fundamental for vertical coordination, and is ever more important as a result of devolution and the decentralisation of responsibilities in policy areas

closely related to the labour market. In this complex multi-level environment, limited multi-level coordination in labour market policy can influence other policy areas, as seen in the case of the Work Programme in Scotland and Wales.

Nevertheless, discretion in it itself is not enough to bring about coordination. Structures must be put in place to allow or facilitate inter-organisational relations, such as the Community Planning Partnerships in Edinburgh. Leadership and guidance are also important, as mentioned by other scholars (Lindsay & McQuaid 2008, McQuaid 2010, Miles & Trott 2011), because inertia or uncertainty can mean that new relations or forms of coordination do not materialise, as was the case with the Scottish Government's block funding of local government. Likewise, public accountability is needed in order to ensure that discretion is exercised: a feature missing in the Work Programme.

Even though in some cases discretion and related factors were present, coordination was hindered by the lack of sufficient resources—including capital, time, and human resources. Availability of resource on a long-term basis allows for long-term planning and stability, which facilitates coordination. Funding that is flexible can facilitate or produce coordination. At the same time, if there is no discretion or common objectives, the existence of resources alone will not produce coordination.

The analysis of the data showed that actors' dissimilar objectives can hinder coordination. Having shared objectives is a first step towards coordination. Organisations do not have to change their professional goals and foci, but the realisation that there are some common objectives—between organisations working in various policy areas, form different sectors, or at different administrative levels—can facilitate coordination. This has been also mentioned by other scholars (Miles & Trott 2011, Osborne et al. 2011). Shared information, with data on outputs and outcomes available to all, will build trust and transparency between organisations and deal with some of the misunderstandings and pre-conceptions found in all three case studies. Trust and an open attitude have been mentioned in the literature as facilitators of coordination (Lindsay & McQuaid 2008, McQuaid 2010, Osborne et al. 2011). To achieve coordination, ultimately, the different field-level logics (i.e. different material practices and symbolic constructions) have to be brought closer together.

9.5.3 – Summary

The framework for governance put forward in this section, with the aim to better achieve coordination in labour market policies, includes three elements: discretion, resources, and objectives. During data analysis, these issues surfaced as important for, and inter-connected in, facilitating or hindering coordination: objectives that are shared amongst actors bring them together in a common aim, discretion allows actors to be responsible for and responsive during service provision, while resources permit shared aims and responsibilities to be enacted. In order to achieve discretion, resources, and objectives that would facilitate coordination, some conditions within each of them have to be met. For instance discretion have to be accompanied by structures, guidance, accountability, and leadership; resources have to be sufficient, long-term, flexible, and allow cooperation; while objectives have to be shared, underpinned by trust and transparency, and include evaluation and data sharing between actors.

In the following final chapter, conclusions are made and discussed. Contribution to theory and practice is forwarded and recommendations suggested.

Chapter 10. Conclusions

The changing landscape in labour market policy in Great Britain has resulted in more people—especially the long-term unemployed—having to participate in activation programmes. A growing body of literature has documented the increased responsibilities and obligations placed on individuals to enter and sustain paid employment. Scholars have pointed out that this policy change requires new governance forms in order to deliver localised and personalised services. However, there are few qualitative studies of how the discourse of joined-up services and partnerships takes shape in practice at local level, between administrative levels (or multi-level coordination), between policy areas (or multi-dimensional coordination), and among service providers (multi-stakeholder coordination). The existence or absence of coordination and the factors that hinder or facilitate coordination have been the focus of this thesis.

This chapter sets out the conclusions of the thesis. In the first section the aim and research objectives, and how these have been met through the research process, are presented and reflected upon. This is followed by a presentation of the research limitations. In the third section, the contribution of this thesis to theory and practice is explored. A discussion of recent policy developments is the focus of the fourth section. The chapter ends with a section on recommendations and further research.

10.1 – Aim and Objectives of the Thesis

The purpose of this thesis, within the tradition of the critical realist approach followed by the author, was to contribute to the transformation of reality to improve human condition. The aim was to develop a framework that might help to better understand—and hence achieve—coordination in the organisational field of labour market policy.

In order to achieve this aim, three research questions have been answered:

- What type of coordination occurs in activation policy?
- What is the influence of governance forms on types of coordination?
- What factors hinder and facilitate coordination?

As the literature review in Chapter 2 highlighted, partnerships are considered a beneficial way of tackling social problems and delivering social services. Partnerships have been defined as systems of formalised cooperation and informal understandings, and scholars have classified them in a variety of ways depending to their research focus. It was apparent that coordination between actors can take various forms, and in order to answer the first research question, a classification of coordination (Chapter 3 Section 3.3.2) was used. This typology classified coordination on five forms according to the strength of actors' relations: alignment, convergence, collaboration, co-production, and full integration.

In Chapters 5 to 8 the type of coordination, between actors from different administrative levels, across various policy areas, and from diverse sectors, found in each city was described and analysed. Even though many of the policy documents analysed referred to the need for, and benefit of, partnership-working, in practice, coordination seemed difficult to achieve. The analysis in each of the case study chapters showed that there were differences between the case studies on the type and level of coordination and the hindering and facilitating factors to achieving coordination. Nevertheless, there were also similarities between the cities.

In Chapter 9 the empirical data was analysed in a comparative manner. The analysis showed that while actors are often involved in inter-organisational relations, the extent of coordination ranges from alignment to collaboration, and, in limited cases, achieves co-production. The differences and similarities in coordination types between the three case studies and for the three coordination dimensions was the focus of Section 9.1. In response to the **first research question**, for all three case studies, the principal means of coordination between national and subnational levels was alignment. Between devolved and local government, there was only limited coordination between Cardiff and the Welsh Government, while coordination through collaboration was evident in Edinburgh. Across policy areas, each city showed a similar degree of coordination, although the extent and type varied dependent on the policy area: while there was integration between employability and economic development departments in Edinburgh, this occurred only to a limited extent in Cardiff; collaboration occurred between housing and employability departments in Newcastle, while, in Cardiff, coordination between those policy areas took the form of instances of convergence.

Finally, coordination between stakeholders in the three cities was also similar with limited higher-level coordination. Exploring the reasons for these differences and similarities was the focus of Sections 9.2, 9.3, and 9.4 in Chapter 9.

The literature review in Chapter 2 indicated that the governance of labour market policies in Great Britain has changed over time, and that governance can affect the coordination between different actors. In Chapter 3, a typology of governance was explored. Based on this exploration and the literature on governance, an analytical framework and two propositions designed to guide data collection and analysis were developed. Through Chapters 5 to 8, the governance of coordination types in each of the three case studies was described. In Section 9.2, the empirical data was analysed in a comparative manner and the **second research question** was answered. This analysis showed that policy-driven, contractual, and discretionary and ad-hoc mechanisms for coordination existed in the three cities, and that the governance forms of public administration, new public management, and new public governance are behind these mechanisms. Nonetheless, coordination mechanisms and governance types coexisted. Consequently, governance forms did not always preclude or enable specific coordination types: for instance, public administration governance seemed to encourage coordination through guidelines and rules, but also promoted network coordination through the setting up of forums and boards; new public management contracts encouraged principal-agent and case management coordination, and also facilitated new public governance coordination around funding or projects; finally, new public governance seemed to occur through actors' discretion and interests in coordination, but was not the dominant type, and was often facilitated by other governance types. Analysing the reasons for the existence or lack of coordination was the next step in the study.

The literature review in Chapter 2 mentioned the various reasons behind the existence or lack of coordination. Chapter 3 situated these reasons within two theoretical traditions (resource dependency and system change theories). Based on these theories, and on the inter-organisational relations literature, an analytical framework and two propositions were developed to guide the analysis. Again, it is through Chapter 5 to 8 that the reasons behind the existence, or the lack, of coordination in the three cities were presented. This data was comparatively analysed in Chapter 9 Section 9.3 and the

third research question was answered. The comparative analysis indicated that factors considered barriers to or facilitators of coordination were either a result of actors' internal need for resources, or actors' commitment to an external problem: factors tending to hinder coordination included resource scarcity and competition, overcrowded or over-rationalised providers' environments, and imbalanced power relations based on resource-control; other barriers to coordination included the existence of different aims, lack of trust, and different professional foci. Nonetheless, because structures and resources are central to coordination, the existence of shared objectives did not of itself guarantee coordination. This analysis did not explain why actors had similar or dissimilar values and objectives. Accordingly, to fully answer the third question, institutional logics theory was employed. Chapter 3 explored this theoretical approach and a theoretical framework and two propositions designed to guide the analysis were developed. Actors' material practices and values and the logic of labour market policy in the three cities were presented through Chapters 6 to 8. In Section 9.4, the empirical data was analysed in a comparative manner. The analysis showed that actors' dominant logics collide and affect actors' relations with one another. This seemed to be the case more in Cardiff and Edinburgh than in Newcastle. The research also showed two field-level logics that appeared to operate in the organisational field, with the tension between them seeming to affect coordination in the three cities.

While answering the research questions, it became apparent that coordination was multiply determined—it had multiple causes and no single mechanism determining the whole result— and the context was crucial to its realisation. A tentative **framework of governance** that might help to better achieve coordination was developed in Section 9.5. This framework is underpinned by three factors and associated elements identified as central to the existence or absence of coordination: discretion, resources, and objectives. For instance, objectives that are shared amongst actors bring them together in a common aim; discretion allows actors to be responsible for, and responsive during, service provision; while resources permit shared aims and responsibilities to be enacted. These factors are interrelated and are necessary to facilitate higher-level coordination.

The analytical process of abduction and retroduction allowed for an inductive and theoretically led research process. The description of the case study assisted in the

identification of barriers to and facilitators of coordination. The comparative cross-case analysis furthered the understanding of differences and similarities in the factors and mechanism of coordination. The three case studies did show some specific differences relating to the case sampling criteria. The different administrative set-ups seemed to influence multi-dimensional coordination, with the devolution settlement in Cardiff being one of the reasons for the lack of focus on labour market and economic strategy. The dissimilar economic and labour market indicators between the cities did not seem to have an impact on coordination, except in relation to the link between skill/education, economic growth, and employability policies. It would appear that the cities of Cardiff and Newcastle would benefit from stronger links between employability and both economic growth and skills. Otherwise many of the more-disadvantaged individuals in a highly-competitive labour market could be by-passed by most employment opportunities.

The theoretical frameworks employed assisted the collection and analysis of empirical data and, together with the propositions developed, have added to various areas of study. The thesis' limitations are detailed in the next section.

10.2 – Limitations

This study has laid the ground work to ascertain the influence of governance and institutional logics on multi-level, multi-dimensional, and multi-stakeholder coordination. Even though three cases studies have been comparatively analysed, theoretical generalisations are tentative and more research is needed to ascertain their theoretical and empirical relevance.

- Further research is required to support the thesis' findings on the barriers to and facilitators of coordination. This study is situated at the meso-level and it would benefit from complementary micro-level studies of specific coordination instances mentioned by participants, in order to ascertain the influence of various factors on specific coordination instances.
- The organisational field of labour market policy includes a multitude of organisations. Although this research achieved the participation of some key players in the field, there are a number of actors whose opinions have not been

included. Further quantitative research seeking a wider range of views on some of the qualitative findings of this thesis would be valuable.

- The ground covered in this thesis is very extensive, as the data collection and analysis focused on multi-level, multi-dimensional, and multi-stakeholder coordination. Due to this broad field of investigation some depth of analysis might have been lost. However, the benefit of such a broad meso-level area of analysis is that it highlights the connections between vertical and horizontal coordination which Karjalainen (2010) referred to.

Despite these limitations, this thesis remains valuable and a number of contribution of this research to theory and practice are explored in the next section.

10.3 – Contribution of this Thesis

The contribution of this thesis to theory spans a number of subject fields: governance literature, inter-organisational relation studies, and institutional logics theory. The contribution to practice also extents to a number of areas: learning from practice, local service provision and mono-cultures, labour market support and poverty, and achieving coordination. These are explored next.

10.3.1 – Contribution to Theory

Governance Literature

Robichau (2011) suggests that governance research needs to move towards a productive research agenda and sets out three questions to further the research agenda (see Chapter 3 Section 3.2.3). The thesis shows that governance types coexist and, in some cases, facilitate the existence of other governance types. This finding coincides with previous literature indicating that governance modes are seldom found as ideal types and tend to display a hybridisation. The thesis has also shown that governance characteristics akin to new public governance exist within the organisational field of labour market policy. These, however, do not appear to be dominant or prevalent within this organisational field, and when these occur they are often facilitated by other governance forms such as public administration and new public management.

Inter-organisational Relations Literature

The thesis successfully categorises heterogeneous inter-organisational relations according to their strength, using a recently developed typology (Fuertes & McQuaid 2013, Zimmermann et al. 2016) explained in Chapter 3 Section 3.3.2. This shows that inter-organisational relations are heterogeneous and that coordination does not always result in collaboration or co-production.

The analysis showed that coordination is multiply determined and the context is crucial to its realisation. Three themes surfaced as key to facilitating or hindering coordination: discretion, resources, and objectives. The reasons behind the existence or lack of coordination can be mostly classified according to resource dependent or system change theories, with the exception of discretion. These three themes form the main pillars of the tentative framework of governance developed that might help to better achieve coordination.

Institutional Logics Literature

The thesis adds to the institutional logics theory by furthering research into conceptual areas such as organisational fields, institutional logics of actors within the field, and field-level logics. This is done within the labour market policy area, which this thesis defined as an organisational field. Within the field, key stakeholders interact with one another and are structured into the organisational field by the institutional orders and logics of the state, market, and community. The analysis showed that actors' institutional logics are enacted, coexist, and collide within the organisational field.

The analysis showed that two field-level logics coexist in the organisational field: work-first and human capital. The tension between actors' institutional logics and field-level logics shaped opinions and behaviours in the field, and ultimately hindered coordination in the three case studies. This collision is greater in Edinburgh and Cardiff since devolved governments' resources, ideology, and administrative powers are factors that are not at play or not enacted in (non-devolved) Newcastle. An interesting development is the potential emergence of a third field-level logic: career-first.

10.3.2 – Contribution to Policy

Learning from Practice

The lack of public accountability in the Work Programme with regards to processes and service provision, makes it difficult to ascertain how or if coordination between stakeholders is being implemented. Commercial confidentiality was an issue raised by Work Programme prime contractors. The importance of accountability and accessibility of information is more relevant since this thesis shows that one of the main factors hindering coordination is the lack of shared data and transparency, and the lack of trust between actors.

Local Service Provision and Mono-cultures

The thesis shows that the Work Programme has indirectly changed local service provision, which now targets unemployed individuals other than Work Programme service-users. The Work Programme appears not to have provided the expected referrals to, and the engagement with, the third and public sectors. Accordingly, these two factors, along with the reduction in contracts and resources, could have negative consequences for the quality and availability of specialist provision, and could reduce the avenues for engagement at local level. There is fear of the creation of a mono-culture in labour market services with provision at the hands of a few extremely large sized providers.

Labour Market Support and Poverty

The data from the Department from Work and Pensions shows that job outcomes for individuals in receipt of Employment and Support Allowance has been worse than expected (Department for Work and Pensions, 2014). The thesis presents doubts on the capacity of the Work Programme to cater for those more disadvantaged and further from the labour market. Since activation has meant that often previously economically inactive individuals are now required to take part in active labour market policies and that income transfers are conditional to that participation, it is important that the appropriate support is available to them. Otherwise, there is a possibility that poverty and social exclusion might increase for these individuals and their households.

Achieving Coordination

Although the discourse from the various administrative levels recognises the important role of the local level and of partnership-working, in practice, coordination is elusive. Lack of or limited discretion, resources, and shared objectives are the main stumbling blocks to coordination. Although the existence of coordination is influenced by various diverse factors and mechanisms, there are a number of elements that can facilitate and encourage coordination. These have been detailed in Chapter 9 Section 9.5. Consideration of these elements when planning policy might facilitate coordination.

10.3.3 – Contribution to Methods

This thesis has contributed to qualitative research methods by demonstrating and documenting the use of case study methodology within a critical realist approach to research.

10.4 – Recommendations for Policy and Further Research

As the data analysis showed, lack of or limited coordination can result in missed opportunities in service provision, service duplication, or lack of service provision for some service-users, which could jeopardise the opportunity to help those unemployed, especially those furthest away from the labour market. Coordination between agencies is important in order to both tackle and prevent social problems effectively (Sinfield 2012a).

It is anticipated that the findings from this research should contribute to discussion on how to achieve vertical and horizontal coordination in activation policy. There are a number of possible future research agendas that can be identified from this thesis.

- Further research on multi-dimensional coordination would be advantageous, since the achievement of coordination should deliver services more centred on individuals' needs and that are holistic and seamless.
- Exploration of how institutional and field-level logics can support or weaken the potential for coordination could shed light on the symbolic and cultural influences in inter-organisational relations and on the factors needed to bridge these logics.

- Future research should focus especially on how discretion, funding, and objectives might be used to facilitate coordination. Especially around the newly devolved responsibilities on new labour market policy and employability services devolved to the Scottish Government.

Considering the framework for governance developed in this thesis when developing and implementing labour market policies might help to better achieve coordination in this policy field. Consideration has to be given to the three inter-related factors and their associated elements when using the framework.

Coordination should ensure localised and personalised service that might be more effective in supporting people into employment. If individual circumstances are considered and catered for, it is more likely that suitable support at an appropriate pace can be put in place for individuals. The goal is to create genuine opportunities and make inroads into reducing socio-economic exclusion.

Appendixes

Appendix 1 – Consent Form

Vanesa Fuertes: PhD research student

LOCAL WORLDS OF SOCIAL COHESION

With your agreement, the data collected will contribute to my PhD research.

PARTICIPATION AND OPPORTUNITY TO WITHDRAW FROM THE RESEARCH

At any time, you may decline to answer any questions or withdraw from the research. You can also withdraw any data provided.

CONFIDENTIALITY AND ANONIMITY

Data will be anonymised, so will not be attributed to you unless consent is previously sought.

Participants and organisations will be acknowledged unless they would prefer not to be.

USE OF DATA

Data collected will be used in my PhD research, in related publications, and in dissemination events.

DATA MANAGEMENT

All data will be securely stored according to Edinburgh Napier University Data Protection guidelines.

FOR MORE INFORMATION

If you would like more information about any aspect of the PhD, please contact:

Vanesa Fuertes - v.fuertes@napier.ac.uk - 0131 455 4571

Name of Participant	Signature	Date
Name of person taking consent	Signature	Date

Appendix 2 – Interview Schedule: Framework for Research and Analysis

Introduction

Explain aims of research, etc.

Background information

Ask about interviewee's role, area of work, length in post etc. This will help with the research questions below.

I - Integration

1. Does an overarching 'integrated' strategy between employment and other social policy areas exist for supporting disadvantaged groups locally? Is this the case for long-term unemployed (LTU), youth unemployment (YU) and X (the third group chosen)? > What things are integrated: policies (which ones?), people (who?), resources (which ones), service delivery, programmes)? > How does this integration work in practice? *(e.g. a) Alignment; b) Co-commissioning; c) Resource pooling; d) Seeding; e) co-production)* > What are the aims of this integration? Which aim is most important? > At what level is this integrated strategy set (national, regional, local)? > Who contributes or controls significant resources (which type: e.g. staff, finances)? > Are there any barriers to this integrated strategy? > What are the results of this integration? > Has there been any change in the past years towards a more integrated approach to dealing with LTU, YU and X? What has changed (policies, target groups, etc.)? Why has this happen?

> What political level influences this strategy (National, Regional, Local)? How?

Since when? How has done this? Would this integration occured anyway?

2. For which vulnerable groups does an 'integration' strategy exist at the local level?

> What are the most important target groups? Why?

> How is this decided? By who? What is the influence of (national, regional, local)?

> What is the scale of the strategy: in time and territory (geographical area covered)?

II – Policy Development

Goals

3. Which are the main policies for LTU, YU and X at the local level? At which level are these policies decided (Europe, national, regional, local)?

> What are these policies trying to achieve (what is their aim)? How? Where is this aim coming from (European, National, Regional, Local level)?

> Is there a shared thinking on the best way to deal with LTU, YU and X? What is it? Do you share this? (*e.g. a) Work- first; b) Human capital; c) Social assistance)*

> What are the main outcomes that policies have in these three target groups? *e.g. a) Attain employment; Increased b) chances for permanent employment; c) employability; d) financial security; c) Enhanced life situation*

> Which outcome is most important? What is the balance between them?

> Are there any outcomes missing? How would these be achieved (services, benefits)?

Actors

4. Which actors are important in terms of policy development for Long Term Unemployed (LTU), Youth Unemployed (YU) and X (the third group chosen) at the local level?

> Are those important and influential at national level?

> What is their role in the development process? Explain the process of developing policy.

> Which actors initiate action *(e.g. leadership or co-leadership)*?

> Which actors are missing and why?

> Which actors control resources (finances, staff) and what are the implications of this?

> Are beneficiaries involved in policy development? Why and how?

5. Are you able to influence policy development? At what level (national, regional, local)? How?

> How much can the local level influence policy development? Why? How is this done?

> For your organisation what level would be more useful to influence? Why?

Instruments/tools

6. Are there any formal coordination structures for developing policy at local level? Which are these?

> What is their aim? Are these permanent or have a time frame?

> What levels they bring together (national, regional, local)? Do they included various departments (which ones)? Do they include different actors (which ones)?

> How were these created? What has influenced their creation (influence of National or European level)? Why?

> Do you take part on those? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? What are those (finances, conflict, leadership)? How are they resolved?

> What are the successes of coordination (enablers of cooperation)? Explain.

> Could cooperation between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed and why (influence of National, Regional, Local level)? What are the results?

7. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various departments and policy fields), multi-agency (amongst various agencies/actors)?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* give an example.

> What influences decisions? Who has most influence on which decisions? Who sets the rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

> What role, power or influence do beneficiaries (and/or their representatives) have?

8. Do informal exchanges play a role in policy development at local level? Explain and give example

> What form does this takes (explain)? ask for an example

> Do you take part? What are the main positive and negatives effects achieved?

9. Do policies for LTU, YU and X tackle the problems those groups faced? How? If everything was at your disposal and there were no barriers, how will your ideal policy for LTU, YU and X look like? (key elements: aims, content, target, outcomes, governance)

> What specific problems/issues would you want to overcome?

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)?

> Why do the other elements do not exist (lack of political commitment, resources, etc.)?

III – Policy Implementation

Actors

10. Which local actors are important in terms of implementing policies for the LTU, YU and X?

IF 'IMPLEMENTATION AND STRATEGY' OR 'IMPLEMENTATION AND SERVICE DELIVERY' ARE THE SAME GO TO 'SECTION IV - DELIVERY'

> How able is the local level to take part in and influence implementation? Why and how?

> Why are they important? What is their role?

> Are beneficiaries involved in implementation? Why and how?

Instruments

11. How are policies implemented at the local level?

> Are there any formal structures for coordination in implementation? Which are those? How were they created? Are they permanent?

> How are decisions taken? Who sets the rules? Is this an effective approach? Why? *e.g. a) Top-down; b) Bargaining; c) Best argument*

> Are there any barriers to effective and efficient policy implementation? Could cooperation between these actors (and with external actors) be improved? How?

IV - Service delivery

Goals

12. Can you describe what local service delivery for LTU, YU, and X consists of?

> What is the main aim of service delivery for these three groups? *(e.g. a) Work- first; b) Human capital; c) Social assistance)*

> What has influenced this aim (influence National, Regional, Local)

13. At which level (national, regional, local) is local service delivery planned and decided?

> How is this done?

> How able is your organisation to influence service delivery? At what level (National, Regional, Local)? How? What level would be more useful to influence?

> How able is the local level to influence service delivery? Why? Is it effective?

> Has this change over time? Why (National, Regional, Local level)? Why? What are the consequences of changes?

Actors

14. Which actors are involved in local service delivery for the LTU, YU and X?

> How are they selected? Ask to describe and give an example. *e.g. a) Tendering process (what are the relevant criteria for selection?); b) Direct selection (by who?)*

c) Trust and mutual agreements (how?); d) Other (describe etc.)

> Why is selection done this way, what is the rationale behind it? Who controls the selection?

> How is the financing organised? *(e.g. a) Structural financing; b) Lump-sum; c) Outcome-oriented)*

> How does the way projects are funded affect programme development, delivery and outcomes? Are there any integration contracts for service delivery? How do they work?

Instruments/tools

15. How are services for LTU, YU and X organised at local level? Does service delivery require coordination between actors?

> Are there any formal structures? Explain. Are these permanent or have a time frame?

> What levels they bring together (European, national, regional, local)? Do they included various departments (which ones)? Do they include different actors (which ones)?

> What is the aim of coordination? How does coordination work in practice? Example *(e.g. a) Alignment; b) Resource pooling; c) Co-commissioning; d) Seeding; e) Co-production)*

> How were these structures created? What has influenced their creation (National, Regional, Local level)? Why?

> Who is responsible for coordination? Who controls or influences it?

> Do you take part on these? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? *(targets; sense of ownership; lack of structures; lack of political commitment, leadership, resources; privacy regulations; etc.)* How are they resolved?

> What are the successes of coordination (enablers of cooperation)? explain.

> Could coordination between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed? Why has this happen (influence of National, Regional, Local)? What are the results?

16. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various departments and policy fields), multi-agency (amongst various agencies/actors)

> Who has most influence (and power) on which decisions? Why? Who controls resources?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* Give an example. Who sets the rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

17. Does local coordination affect service development, delivery and outcomes and how has integration improved service development, delivery and outcomes? Examples

18. Do local actors have discretion on the services they deliver? ask for an example *e.g. a) Rigid process; b) Rigid outcomes; c) Discretion or rigidity in both*

> In the case of relative autonomy in delivery: how are decisions taken? Who takes them?

> Do organisations have sufficient resources (financial, staff, etc.) to provide the necessary services? Who controls the resources?

> Are beneficiaries able to influence service delivery?

19. Do local services for LTU, YU and X tackle the problems those groups faced? Explain, give example *(e.g. creaming and parking; fragmented services; services do not*

meet needs or heterogeneous needs; rigidity to respond to local or individual issues; focus on wrong targets; etc.)

> Are street-level bureaucrats (case workers) able to deal with the needs of these groups? *(e.g. professional and policy silos; lack of share of information; lack of coordination; etc.)*

> What are case worker's priorities (by importance) when dealing with these groups? *(e.g. place the client in work; whatever s/he thinks necessary for the beneficiary; will discussed with the beneficiary the adequate steps; will not interfere much; etc.)*

> How is data between organisations coordinated? *(e.g. conferences; direct exchanges; formal reporting; common databank; boundary spanning role; etc.)*

> What are the main effects that this service has on the target groups? *(improved life situation, financial security, employability, chances for permanent employment; etc.)*

> What kind of services and benefits are missing?

20. Are policy aims for LTU, YU and X being met through local service delivery? If everything was at your disposal and there were not any barriers, what would your ideal local service delivery look like? (key elements: aims, content, target, outcomes, governance)

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)? Why the other elements do not exist (lack of political commitment, resources, etc.)?

V - Monitoring and Evaluation

21. What mechanisms ensure the delivery of policy and services? And who controls them? e.g. *a) Trust; b) Directives and guidelines; c) Benchmarking*

> Who decides on the mechanisms? How are those mechanisms set up?

> What do they measure? What is the rationale behind them? What are the indicators? How are these collected and when?

> How do these measures relate to the aims of the policy?

> How do performance measures influence the work with vulnerable groups?

> Are those measures and monitoring instruments useful?

> When have these monitoring and evaluation mechanism been introduced?

> Have those changed? Why?

> What are the results of the evaluations (in terms of policy impacts, organisation, efficiency, effectiveness, beneficiaries, etc.)

22. How are clients' actions monitored?

> Who decides on them? How are those mechanisms set up?

> What do they measure? What are the indicators? How are these collected?

> How do performance measures influence the work with vulnerable groups?

> Are those measures and monitoring instruments useful?

> Have those changed? Why?

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