Producing new welfare spaces: local labour market policies in the UK and Denmark

Thesis

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PRODUCING NEW WELFARE SPACES
LOCAL LABOUR MARKET POLICIES IN THE UK AND DENMARK

VOLUME 2

DAVID ETHERINGTON  PhD.  2004
CHAPTER 6 THE SOCIAL STRUGGLE AROUND LABOUR MARKET GOVERNANCE AND PRODUCING NEW WELFARE SPACES IN SHEFFIELD

In any regeneration of the economic and industrial life, local initiatives in themselves will only play a small part. But they can make a wider political impact, not only committing people to new kinds of work experience but winning them over to a vision of a very different kind of society (Blunkett and Green, 1983:7).

Our intention is to show that there is an alternative to unemployment – and to argue positively that this alternative should be pursued (Sheffield City Council, 1982:6).

Introduction

The previous chapter analysed the way the NDU and other employment/labour market programmes have been ‘localised’ in which policies and programmes are ‘devolved’ whilst at the same time they operate under the framework of central controls, guidelines and performance measures. The analysis so far suggests that the local is not just the terrain or space where central government policies are implemented, but is also a ‘producer’ of strategies, political struggles and mobilisations and as such interacts with the national state and mediates broader trends by responding to local needs.

The chapter is structured as follows. The next section provides a brief historical overview of labour market governance and policy as part and parcel of municipal socialism. The analysis turns to the New Labour welfare reforms as implemented in Sheffield in relation to the reconstruction of regeneration and growth strategies and the forms of governance, institutions, policies and partnerships. This is followed by an analysis of the power and political dynamics and the nature of social struggle and
mobilisation and then an analysis of some the interlocking features of crisis in Sheffield's labour market policies and partnerships.

**Background - From Municipal Socialism to New Partnerships: Revitalising Scale, Governance and Political Mobilisation**

Sheffield's 'labour and welfare regime' is embedded in the specific traditions of mobilisation of workers and communities and is linked to the powerful influence of the Communist Party within the manufacturing unions and the long standing dominance of the Labour Party over local politics.

The driving force behind the opposition to Conservative austerity measures in the 1980s, which were having devastating impacts on the City's economy, lay with the City Council. The strategy was essentially two pronged. First, the development of an 'alternative economic strategy' by the City Council to be spearheaded and driven by a newly created Employment Department. The purpose of the strategy was to develop links with local communities and trade unions and formulate policies, which were geared to socially useful employment, and regeneration based on job creation. Economic development projects were to be geared towards public investment, and issues of equalities were given prominence in policy development. Second, the City Council in conjunction with its in house unions was to oppose the Conservative Government's financial regulations (in the form of block grant penalties and rate capping) which in effect restricted the allocation of central government funds to local government (c.f. Labour Research Department 1984, Cochrane 1990, 1994).
A Local Government Campaign Unit was established to secure some element of unity between different coalitions around the campaign against Conservative local government policies. At this time Sheffield was also the ‘battleground’ in relation to the 1984-1985 miners strike as the National Union of Mine Workers were relocating the headquarters from London and many solidarity activities were organised through the council and in house trade unions. It is the interplay of social mobilisations occurring in the city (including leading an anti privatisation campaign) which sustained the impetus for developing innovative employment initiatives and in particular a more focused re-orientation towards training and labour market policy.

Despite the intensity of mobilisation in this period, the ‘Municipal Socialism’ project did not succeed in building the alternative vision as outlined above. The reasons are complex and beyond the scope of this chapter but are related to the balance of social forces; on the one hand, a long standing inherent reformism of the Labour Party and lack of radical rank and file politics compared with other European Social Democracies (cf Mair 1994), the relative weakness of the TUC to act in a co-ordinated fashion against the Thatcherite attack on the welfare state and anti trade union laws (McIlroy 2000), on the other, the relative strength and unity of ruling classes which supported and mobilised behind the Thatcherite project (Miliband 1980). Despite a relatively strong labour movement in Sheffield, there were many elements of these political and mobilisation traits operating within its organisations and discourses – in particular the focus on industrial issues by the unions distracted from taking any campaigns outside the workplace into local government and surrounding communities. The exception was the steel strike and campaign against privatisation of British Steel that involved a closer
involvement of council officers and politicians with the local unions (Interview with former Head of Employment Department).

The new welfare settlement with a dominant neo-liberal ideology embodied a rescaling and territorialisation of the local state in Sheffield. This involved the abolition in 1986 of the South Yorkshire County Council, (which regulated public transport and also held strategic planning functions) and the establishment of the Urban Development Corporation in 1989 (Sheffield Development Corporation – SDC) which covered parts of the older steel and engineering area of the city. In 1990, the Training Enterprise Council was set up with a remit for labour market policy for parts of the South Yorkshire Area. The establishment of the TECs was driven by the pursuance of more market driven training policies (for example Employment Training) and new modes of representation in urban policy at the local level with the effect of a more marginal role in programme delivery and policy for the City Council (Jones 1999).

Within the City Council's own internal organisation of economic development there was the formation of the Sheffield Economic Regeneration Committee, which widened the links and collaborations between the City Council and private sector. The political sea change within the council involving a more moderate leadership led to a new pragmatism and commitment to ‘partnerships.' In reality the council did not have the power or resources to carry out any ambitious projects, although ironically, the early 1990s involved a successful bid for the World Student Games which turned out to have near disastrous financial consequences (see Dabinett and Ramsden 1999). Significantly the regeneration politics was focused around property development and new sectors
such as sports and leisure which would provide the economic boost for diversifying the local economy. By 1994, the proliferation of initiatives and organisations embodied new forms of corporatism within the city that served to heighten both tensions and remoteness of representative democracy in terms of its influence over economic development and training agendas. As Dabinett states,

By 1994, there were over 15 agencies promoting economic development in the city, including two significant new actors in the form of an urban development corporation and a training enterprise council. This proliferation led to greater organisational complexity in the city and to an increase in agendas, but also to the development of partnerships. Initial partnerships were city council dominated, but over time central government has come to influence the shape and constituency of these arrangements, for example in the bids for resources via City Challenge, the Business Link scheme, and the Single Regeneration Budget. Each new approach attempted to secure a greater private sector involvement (Dabinett 1995 231-232).

New Welfare Spaces of the Third Way in Sheffield : Strategies, Markets and Employability

This section will outline the main elements of Sheffield City's current (2003) strategy for growth and the particular organisational forms established for its implementation. This will be followed by an analysis of the employment and labour market dimension to the strategy and a discussion of the tensions, conflicts and problems which are inherent in the way labour is being 'managed' and reproduced in the city.
Welfare, Work and Labour Market Policy

Labour market policy and strategy in Sheffield involves two strands. One involving activation of the unemployed through the various options of the NDU (see previous Chapter 5); a second, which adapts the NDU in order to implement intermediate or transitional programmes – the Intermediate Labour Market. The ILM closely resembles the Social Inclusive Labour Market Initiative (SILM) operated in Denmark (see Chapter 7) operating as a ‘transitional employment’ programme with the aim of improving employability for the 18-24 year olds in long term unemployment. The ILM is part of the New Deal Voluntary Sector Option which has been contracted to Sheffield City Council Education Department Employment Team and sub contracted to a voluntary organisation Sheffield Centre for Full Employment (SCFFE) which coordinates the ILM across the South Yorkshire area – a condition for obtaining Objective 1 funding (Sheffield Centre for Full Employment 2003:25-26).

Job Match is operated through Sheffield First for Investment (SFI) another sub group of the (SFP) which involves a coordinated approach between inward investment and employment. Employers intending to move in or reinvest in Sheffield will notify their labour requirements and the principle of the programme is to identify and train potential employees. This initiative links in with the New Deal and the two main sectors where there is collaboration are a Contact Centre (presumably call centre) and the construction sector. Job Net involves a “responsive recruitment service linking residents of local communities with city-wide jobs emerging through inward investment, established local indigenous employers and the development of public sector employment strategies”
(Job Net Leaflet). It is a more intensive process of advertising job vacancies, counselling and assisting potential applicants with C.Vs by providing easier access to the labour market for disadvantaged communities. It is an addition to the services provided by the job centres by providing a more targeted and outreach component.

It is possible also to identify a fourth element and that which involves a closer link between labour market and social policy. This involves ChildCare strategies, which are linked to the labour market through the New Deal for Lone Parents, and other community-based organisations such as the child care partnerships. There are also Education Action Zones within deprived areas of Sheffield where ILMs are targeted specifically at schools involving early school leavers. This measure includes providing a transitional employment opportunity within the education sector geared to the child care labour market and liaison with ‘School Community Link Workers’ around problems of low attendance and school attainment. Some of the employability programmes related to schools are funded by Objective 1.

Work based training is funded through the Learning and Skills Council (LSC). The LSC has identified the key issue of skills deficiency in South Yorkshire and in 2001 organised a South Yorkshire wide conference under the national ‘skills for life’ strategy. This is an interesting initiative because of the recognition of the extent of the ‘skills deficiencies’ in South Yorkshire with between 20,000-25,000 adults needing to be brought up to basic skills levels by 2004 if national targets are to be met (South Yorkshire Learning and Skills Council 2001a). The key element of many of the national based programmes that are implemented within South Yorkshire is the linking up with other local regeneration
initiatives. In this respect the LSC will be contracting many of its functions in the area of workforce development and work place learning (i.e. modern apprenticeships and NVQ qualifications) to local based organisations which are participating in labour market programmes. Because the operational mechanisms are through contracting, a great deal of what the LSC will undertake will be dependent upon other activities that are operating within the framework of other funding regimes such as the SRB and Objective 1 European Funds. In this respect the LSC is co-financing ESF programmes run through the Objective 1 which support various labour market measures. The exception to this is the revenue and capital grants to the FE Colleges (South Yorkshire Learning and Skills Council 2001b). As Figure 2 shows, labour market policy and governance in Sheffield involves complex relationships between a variety of ‘actors’ and stakeholders at varying spatial scales.

The ‘New’ Strategy – Welfare to Work, Entrepreneurial Politics and the Shift to Policy Integration in Sheffield?

In 2002 Sheffield First Partnership launched a ‘City Strategy’ (Sheffield First 2002) which was followed by another document which both summarizes the strategy as well setting out a wider vision of the role of the City within the wider ‘space’ economy (Europe, National and Region). This document titled “Creative Sheffield” was produced for the Core City Network involving Sheffield, Manchester, Birmingham, Bristol, Leeds, Liverpool and Nottingham. The network was formed to promote the key industrial cities outside London and the South East, “capable of adding more cylinders to the national economic engine and relieving some of the current pressures in the South East so that
London can concentrate on further developing its flagship role as a front rank global city " (Sheffield First 2003a:7).

As a sales document there is an obvious upbeat tone about how Sheffield should be seen and visioned.

As late as 1999 it was legitimate to pose the question –'can Sheffield re-discover the inventiveness which previously made it a world wide brand, or is the City locked in a downward spiral in which talented people and organisations will progressively migrate elsewhere?' By 2002 there was convincing evidence that such questions are now irrelevant – the City has turned the decisive corner and is now "on the up." (Sheffield First 2003a:10).

Key performance indicators include new net job growth of 5000 annually since the mid 1990s, falling unemployment (only 0.9% above national average), increasing GDP per head more than other cities, and third highest GCSE results of other major cities. Also a business survey covering South Yorkshire indicated optimistic business forecasts.

The strategy is built around a concept of the city as "An Innovative Producer City" and a "Creative City", which involves in Hudson's terminology, an orientation to productivist and technological solutions (Hudson 2000). There is emphasis upon attracting "market leading companies" involving ‘cluster’ strategies which will involve different forms of partnerships, pump priming infrastructure investment and non market coordinating activities. Importance is given to renewing infrastructure in the City Centre as a vehicle for attracting inward investment. Alongside this, is a welfarist strategy which involves targets in relation to education, "renewing our poorest neighbourhoods, improving health where it is poor, promoting greater cohesion among Sheffield’s communities" (Sheffield
First 2003b:15) and a skills strategy – “fundamental for creating a versatile labour force capable of acquiring new skills quickly as markets and technologies change” (ibid p.17).

The strategy is produced through the Sheffield First Partnership. The link between the NDU and the wider strategy in determined through the established Sub Groups - Sheffield First for Inclusion and Sheffield First for Work. Sheffield First for Inclusion has attempted to address social exclusion through the connection between different strands of policy – labour market, education, health and housing through the National Strategy for Neighbourhood Renewal. As analysed in Chapter 5 the vehicle for reducing poverty levels is through concentrating limited resources in the area regeneration programmes and in particular the neighbourhood renewal strategies. Sheffield has established a Neighbourhood Renewal Programme in Burngreave, an area with high concentrations of poverty and unemployment. Sheffield First for Work oversees the NDU and other labour market programmes. An example of the link between the NDU and the wider growth programmes is the use of Job Match and Job Net involving redirecting the unemployed to inward investment

**Delivering Employability? Constructing and Rescaling New Governance and Partnerships for Sheffield**

The key organisation in Sheffield for the delivery of economic and social regeneration is the Sheffield First Partnership. This was formed in 1998 to bring together key organisations in the city from the public, private and voluntary sectors for the delivery of economic and social regeneration and acts as a vehicle for lobbying and fund bidding
The implementation of the New Deal for Unemployed (NDU) in Sheffield (as a Pathfinder area) was consolidated under a distinct partnership structure, a Joint Venture Partnership (JVP), which was charged with the task of linking the various strands of the NDU with other regeneration programmes in the city. The JVP formed a New Deal Partnership Board which was contracted by the Employment Service to deliver the NDU in the city (Etherington, Evans and Esp 1999).

As outlined above, Sheffield experienced marked changes in its partnership structures primarily as a result of the impacts of wider state restructuring involving the establishment of the RDAs and the replacement of the TECs with the LSC. The NDU was implemented by a Joint Venture Partnership which was dissolved prior to the creation of the LSP. For a while, the newly formed Department of Work and Pensions took over direct running of the NDU without reference to any partnerships. The second change involved the further widening of contracting in relation to organisations engaged in programme delivery. The DWP has overall management responsibility and subcontracts to main partners (LSC, Careers Service, Local Authority) which further subcontract to private organisations operating various strands of the New Deal. Another recent development is the Sheffield Careers Guidance Service which operates the Gateway element of the New Deal and was formerly run by the City Council but is now constituted as a Quango jointly owned by the City Council and Sheffield University (Interview with Head of Employment Unit Sheffield City Council, June 2002). As will already be apparent there are complicated contractual and bidding processes involved with labour market programme delivery.
There is a new orientation of the New Deal in Sheffield focusing upon small area Action Teams operating in 10 targeted deprived wards where new deal clients are more difficult to employ. The main purpose of the Action Team approach is to promote a multi agency service, which will identify barriers to employment. The teams operate in a community development fashion and the key feature of the service is to identify those who would not be engaged with the New Deal through the normal channels and services (Department of Work and Pensions 2002).

During the 1990s the Council has successfully bid for Single Regeneration Budgets (SRB) funds via a rolling programme of area regeneration initiatives targeting the poorest sections of the City. The management of the SRB is carried out through the Council’s area based development work under the wider auspices of the Sheffield First Partnership. The City Council acts as a broker for SRB programme delivery as the key decisions about bidding and strategic policy lies with the Sheffield First Partnership. Many aspects of the SRB projects are related to Community Economic Development initiatives and have a strong ‘bottom up’ element arising from the various community struggles and mobilisations within the poorer areas of Sheffield. Some of these projects will also be linked to Objective 1, New Deal and LSC funded programmes (Sheffield City Council 2001).

The City Council is also involved with the New Deal through its bidding for project development through the Environmental Task Force and Voluntary Sector Option. Much of the education and employment based training is channelled through the Intermediate Labour Market Programme which is essentially managed on a sub contracted basis from
the council by a voluntary sector organisation (Sheffield Centre for Full Employment) involved with unemployment welfare rights and labour market politics. The ILM pre dates the New Deal as it was introduced as a way of bridging the gap in Conservative labour market programmes whereby the voluntary sector could be a vehicle for employment regeneration and facilitating people at the margins of the labour market a route into full time employment. The New Deal gave impetus for its development and it is currently operating within the priority areas for social intervention (i.e. SRB areas).

Alongside the NDU, the Single Regeneration Budget programmes (inherited from the previous Conservative Government) have been important mechanisms for funding area based employment and training programmes linked to other funding regimes such as European Objective 2 Programmes. The SRB was managed by a City Wide SRB Partnership which was reconstituted as the Social Inclusion Partnership with the aim of contributing “to the sustainable regeneration of Sheffield through co-ordinated activity to address the social exclusion of both geographical communities and communities of interest” (Sheffield City Council 2000). Between 2000 – 2002 more policy initiatives were forthcoming from Central Government and the successful bid for European Objective 1 funding had a dynamic impact on Sheffield’s governance and partnership structures. This has involved three key areas:

At the strategic level, the Regional Development Agency (RDA) developed its strategy for the region which in effect formalised the planning relationships, roles and functions between the different levels of governance – region (Yorkshire Humberside), sub-region (South Yorkshire) and local authority areas (Sheffield City Council). This has an
important political and perhaps policing role in ensuring that the government's agenda would be enacted in terms of the forms of governance of localities. Thus the sub regional level was to have a recognised constituted partnership structure such as the South Yorkshire Forum and within Sheffield the Sheffield First Partnership under the auspices of the newly formed LSPs (see below). The RDA has also produced a number of planning documents and strategies including a vision around labour market development focused around skills development, ICT and 'employability' (Yorkshire Forward: 2001).

Second, the South Yorkshire sub regional strategy originated from the setting up of the South Yorkshire Forum. The Forum emerged as the key lead organisation for bidding for European Objective 1 funding. The success of this bid led to the organisation focusing upon wider longer term strategic issues for South Yorkshire, and was charged with producing sub regional plans as part of the wider Regional Economic Strategy. The development of the Objective 1 programme has politicised regeneration activities in terms of the Forums orientation towards a more public sector interventionist strategy in the sub region. This is explained by involvement primarily from public organisations and agencies and the history of politics and struggles arising from the 1984-85 miners strike. An example is the campaigns and activities of the Coal fields Community Campaign which has galvanised interests closely aligned to the labour movement for Government solutions to the problems created by the pit closure programme.

The organisation of the European programme (running between 2000-2006) itself is closely aligned to, although separate from, the Forum. A number of Programme sub groups have been formed (and restructured) around specific objectives. Each objective
includes a number of measures. For example in the sphere of labour market policy (Objective 3) many measures have been established geared towards removing the various barriers to ‘employability’ and building “a world leading learning region that promotes equity, employment and social cohesion.” The size of the total budget is £1.8 billion including matching funding from public and private sources. The measures are orientated to complementing the New Deal in terms of removing barriers to employability placing some emphasis on the working of mainline education, community work and social service activities which engage with the more marginalised in the labour market (Government Office for Yorkshire and Humberside, 2000).

The Objective 1 programme is organised around a partnership structure involving three organisations where there are a variety of stakeholder involvements. There is the Programme Management Board involving overall strategic policy and management of the programme and the Programme Monitoring Committee which has a more day to day operational role. There is also another organisation named the Cross Cutting Theme Group which ensures a more co-ordinated approach to the policies and programmes.

Third, the Government’s attempts at the ‘rationalisation’ of partnerships within localities through the LSPs has had important implications for their restructuring and reorganisation in Sheffield. For example, Sheffield First states:

Within the last two years, the Partnership has taken on specific additional responsibilities that have enhanced its role:
- being asked by Government to put forward a single neighbourhood within the city for consideration for New Deal for Communities
- helping shape the Objective one plans and acting as the area regeneration partnership encouraging sufficient high quality proposals come forward from within the city and checking the proposals to complement the city wide strategy
- assisting with the development of a Local Public Service Agreement between Sheffield City Council and Government and securing wide support for it (Sheffield First, 2001:4).

Sheffield First constructed a ‘family’ of partnerships in order to implement the various policy streams. This ‘Family’ replaced the Joint Venture Partnership in 2001 and as at present there is no formal partnership in relation to the implementation of the New Deal. However, there is a new development (September 2002) of the constitution of a Welfare to Work Group within the Sheffield First for Work with the remit of coordinating labour market policy in Sheffield (Interview with Head of Employment Unit, 2002).

It would be useful here to make a comment on the specific form of partnerships or corporatism which is prevalent in Sheffield. The Sheffield First Partnership (SFP) is heavily reliant on the ‘third’ sector and the social economy. However, as figure 2 shows the forms of partnership which operate in relation to Sheffield are located at other geographic scales in terms of the sub region and region as well as the neighbourhood and this involves complex dynamics in terms of actor interests, stakeholders and functional responsibilities.

The other important aspect of the partnership formation is the ‘new’ role for local government. Perhaps the first impact of New Labour’s welfare reforms on Sheffield was an acceleration of processes that were embedded in the Conservative local government and urban strategies. Services of the City Council were privatised or outsourced,
including the management of housing benefits salaries and other council functions. As a lead Labour authority these could be seen politically as significant. However, its urban regeneration functions were also outsourced alongside the closure in 1998 of the Department of Employment and Economic Development (DEED), which has been the main initiator of development of a social agenda for regeneration and employment, but also operated as a coordinating and strategic policy function for wider regeneration. This loss of policy and service responsibilities fragmented policy making and effectively led to what the former Director termed the “jettison of the policy, research and planning functions on economic development for the City” (Interview with former Director of DEED, March, 2003).
Figure 2 Sheffield Labour Market Partnerships and Institutions

- S.Yorks Learning Skills Council
- Training Provision

- Department of Work and Pensions
- Job Centre Plus
- Welfare to Work New Deal for Unemployed

- Burngreave
- New Deal For Communities

- Job Centre Plus
- Action Teams

- Voluntary Sector

- European Objective 1 Partnerships Funding

- Sheffield First Family of Partnerships
  - Sheffield First for Inclusion
  - Sheffield First for Work (Welfare to Work Group)
  - Sheffield First for Learning
  - JobNet Partnership

- Sheffield City Council
- New Deal Vol.Sector Option and Env. Task Force (ILM)

- SRB/EU Objective 2 Community Employment/Training

Source: Author
Summary

Labour lost control of the Council in 1997 with the Liberal Democrats forming the majority administration. There was little difference between the two controlling parties in relation to strategic policy, but Labour retook control in 2002. Meanwhile in this period (1997-2003) South Yorkshire was granted Objective 1 status for European Funding in (2000) and the whole partnership structure within the city was revamped in light of the successful bidding for Local Strategic Partnership Status (2000-2001). What has happened since 1997 is the consolidation of a strategy that has been in process since the mid 1970s but seems to have accelerated as government and governance has been remade within Sheffield. As Figure 2 shows in relation to labour market programmes this governance has become more complex and fragmented. This will be described in more detail below, but first, it is relevant to consider the overall strategy for the City in terms of its priorities and orientation.

Local government and the public sector is influential on the partnerships, but as a stakeholder rather than a provider or director of change – in contrast with Aalborg which is a key provider as well as policy actor of labour market programmes. The partnership structures have made accountabilities much more complex in that many aspects of day to day provision of services involve many organisations and lead officials. The intensity of instability is directly related to the forms of politics and mobilisations that are currently a feature of Sheffield’s local social relations. This will be explored below, but in order to provide a context and some key causal processes for this, it would be useful to critically
examine the key conflicts and contradictions of the processes of local state restructuring.

**Crisis, Conflicts and Contradictions of Labour Market Governance in Sheffield**

In line with the UK chapter it is possible to identify several interlinked crises within the way the labour market is governed in Sheffield. This involves a crisis in social reproduction and in welfare provision important for accessing the labour market; a crisis in policy failure in relation to the current labour market; a crisis in the mode of governance and de-politicisation as reflected in accountabilities and forms of representation.

**Crisis in Social Reproduction**

This is illustrated by the fiscal crisis in the provision of local welfare services as a result of the City Council not being compensated for the cuts in its block grants imposed by the Conservative Government during the 1980s. The financial position of the City Council was worsened with the Council taking over the responsibilities for funding the World Student Games facilities with an estimated total cost to the City Council of around £20 million per annum by 1995 (Dabinett and Ramsden 1999:172). Whilst lack of resources is a key factor in the provision of basic welfare services which will enable people to access the labour market and make them ‘employable,’ the fragmentation of the way services are managed which is also a problem. Taking childcare as an example, a manager of the local Child Care Partnership stated that there is a shortage of affordable
childcare in Sheffield and in particular areas where there are high rates of poverty and unemployment (see also Sheffield Young Children’s Service 2002). However, the provision of childcare is undertaken by four different organisations – the city council, small community and voluntary organisations, private sector and child minders with a wide range of funding sources. Coordinating the different agencies in order to meet different targets and needs as well as access complex funding programmes is seen as a major issue (Interview with Manager in Sheffield Young Children’s Service, 2003). This contrasts with Aalborg where the majority of childcare is funded and provided by one organisation – the City Council – and with there being availability on demand. The fiscal problems of funding welfare to work have been extended into the operation of the Sheffield Connexions Service that operates the Gateway programme of the New Deal. This service is currently facing severe budget cuts and redundancies (July 2004 see below)

_Crisis of Policy Failure: Creating Sustainable Employment or Subsidizing Poor Work?

Within the Sheffield First for Work Sub Group there is a discussion about targets to be met for addressing some aspects of economic and social inequality. Sheffield First for Work has devised performance indicators and targets in the relation to its Employment and Skills Strategy (Sheffield First for Work 2003) These targets/performance indicators include bringing unemployment rates (including long term unemployed) down to the national average by 2010. Another target involves achieving “parity in terms of the percentage of residents from the most disadvantaged wards securing work compared to those from the most prosperous wards” and “close the gap between the average income
for those in full time employment between Sheffield residents and nation as a whole."
(Sheffield First for Work 2003:1). Evidence produced by Sheffield Hallam University
(see Beatty et al 2003, Yeandle et al 2004) and the mid term evaluation of Objective 1
suggests that the unemployment rate is higher than the official figures.

**Table 2 Economic Activity/Inactivity in Sheffield**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Econ Active Total</td>
<td>374,148</td>
<td>185,734</td>
<td>188,414</td>
</tr>
<tr>
<td>Employee Pt Time</td>
<td>12.4%</td>
<td>3.7%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Employee Full time</td>
<td>37.0%</td>
<td>47.2%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Self Employed Pt Time with employees</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Self Employed Full Time with employees</td>
<td>1.9%</td>
<td>3.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Sel Employed Pt Time without employees</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Self Employed Full Time without employees</td>
<td>2.9%</td>
<td>5.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4.2%</td>
<td>5.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Full Time Student</td>
<td>3.3%</td>
<td>3.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Economically Inactive Total</td>
<td>36.9%</td>
<td>30.7%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Retired</td>
<td>13.5%</td>
<td>11.4%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Student</td>
<td>8.1%</td>
<td>8.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Looking After Home Family</td>
<td>5.9%</td>
<td>1.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Permanently sick/disabled</td>
<td>6.2%</td>
<td>6.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other</td>
<td>3.1%</td>
<td>2.7%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

**SOURCE:** Sheffield City Council 2001 Census Topic Reports, p 5

Table 2 shows the relatively high levels of inactivity in relation to permanently
sick/disabled and other. Furthermore, 6% were classified as carers in relation to looking
after the home and it is certain that a high proportion of carers would work if there were
the opportunities. The classification 'other' refers to unemployed but not registered for
various reasons (see Section on the New Deal for Young People). According to the
Gender Profile Report for Objective 1 nearly 10% of men of working age in Sheffield
were claiming incapacity benefit which is higher than the national average.
The reasons for an increase in incapacity benefit claims relate to the nature of the labour market. During the 1970s when men were out of work, a lower proportion withdrew from the labour force. When the labour market became more competitive, with rising unemployment and less unskilled jobs being created which men could access, this group found that they could get higher benefits by claiming invalidity benefits (IVB). The Employment Service officially sanctioned transfer to IVB at that time. Today inactivity is four times higher than in the 1970s and reflects quite dramatic changes in the nature of demand for certain types of skills and the type of jobs being created.

In their report for the LSC, EKOS Consultants undertook an analysis of 'employment deprivation.' This is defined as 'forced exclusions from work' – that is those who want to work but are prevented from doing so through unemployment, incapacity benefit, people out of work but on training programmes, people 18-24 years on the New Deal for Young People (NDYP), and severe disablement allowance claimants. Table 3 shows that all the South Yorkshire Districts are in the top 10% of most employment deprived in England, and Sheffield ranks as the fifth in terms of employment deprived districts.

<table>
<thead>
<tr>
<th>Table 3: Employment deprivation in South Yorkshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
</tr>
<tr>
<td>Sheffield</td>
</tr>
<tr>
<td>Doncaster</td>
</tr>
<tr>
<td>Barnsley</td>
</tr>
<tr>
<td>Rotherham</td>
</tr>
</tbody>
</table>

Source: EKOS 2002 p84

The extent of poverty can be seen in Table 4 which ranks Sheffield's most deprived wards in relation to the rest of the country.
Table 4 Employment deprivation by ward

<table>
<thead>
<tr>
<th>Name of Ward</th>
<th>District</th>
<th>Rank of employment domain (out of 8414)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dearne Thurnscoe</td>
<td>Barnsley</td>
<td>40</td>
</tr>
<tr>
<td>Burngreave</td>
<td>Sheffield</td>
<td>44</td>
</tr>
<tr>
<td>Southey Green</td>
<td>Sheffield</td>
<td>115</td>
</tr>
<tr>
<td>Manor</td>
<td>Sheffield</td>
<td>123</td>
</tr>
<tr>
<td>Herringthorpe</td>
<td>Rotherham</td>
<td>133</td>
</tr>
<tr>
<td>Park</td>
<td>Sheffield</td>
<td>144</td>
</tr>
<tr>
<td>Athersley</td>
<td>Barnsley</td>
<td>163</td>
</tr>
<tr>
<td>Conisbrough</td>
<td>Doncaster</td>
<td>179</td>
</tr>
<tr>
<td>Central</td>
<td>Rotherham</td>
<td>211</td>
</tr>
<tr>
<td>Castle</td>
<td>Sheffield</td>
<td>256</td>
</tr>
<tr>
<td>Firth Park</td>
<td>Sheffield</td>
<td>258</td>
</tr>
<tr>
<td>Dearne South</td>
<td>Barnsley</td>
<td>267</td>
</tr>
<tr>
<td>Worsbrough</td>
<td>Barnsley</td>
<td>268</td>
</tr>
<tr>
<td>Park</td>
<td>Rotherham</td>
<td>276</td>
</tr>
<tr>
<td>Brierley</td>
<td>Barnsley</td>
<td>306</td>
</tr>
<tr>
<td>Central</td>
<td>Doncaster</td>
<td>311</td>
</tr>
<tr>
<td>Park</td>
<td>Barnsley</td>
<td>362</td>
</tr>
<tr>
<td>Ardsley</td>
<td>Barnsley</td>
<td>365</td>
</tr>
<tr>
<td>Cudworth</td>
<td>Barnsley</td>
<td>393</td>
</tr>
<tr>
<td>Mexborough</td>
<td>Doncaster</td>
<td>426</td>
</tr>
</tbody>
</table>

Source: EKOS, 2002 p 84

In their annual report in 2003 the Citizens Advice Bureau (CAB) reported that 6,000 people were experiencing severe debt problems in Sheffield which is an underestimate. Taking the Burngreave area as an example, the residents survey undertaken as part of the New Deal for Communities Delivery Plan for 2001 (p 8,10) identified 64.2% of households earned less than £10,000 and 31.3% earning less £5,000. 27% interviewed were experiencing debt problems (Burngreave New Deal for Communities 2001).

The New Deal for the Unemployed has been established to overcome barriers to the labour market and this will be analysed in more detail below. The South Yorkshire Household Survey has revealed that most unemployed have poor literacy skills and basic qualifications whilst child care and family commitments have been cited as barriers
to training. One issue that needs further exploration relates to perceptions of the labour market as being dominated by poorly paid jobs with little prospects as a barrier to seek work (see below).

Both the Objective 1 Mid Term Evaluation and Gender Profile Report have identified that South Yorkshire still lags behind the national average in relation to wages, and that many new jobs created within the region tend to be low paid (Table 5 below).

<table>
<thead>
<tr>
<th>Table 5</th>
<th>Average full time weekly earnings (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
</tr>
<tr>
<td>Barnsley</td>
<td>342.40</td>
</tr>
<tr>
<td>Doncaster</td>
<td>333.70</td>
</tr>
<tr>
<td>Rotherham</td>
<td>336.30</td>
</tr>
<tr>
<td>Sheffield</td>
<td>363.50</td>
</tr>
<tr>
<td>S Yorks</td>
<td>350.60</td>
</tr>
<tr>
<td>Y&amp;H</td>
<td>361.00</td>
</tr>
<tr>
<td>GB</td>
<td>400.10</td>
</tr>
</tbody>
</table>

Source: EKOS (2002) p 95

| Table 6.1 Distribution of weekly earnings: men in full time employment |
|---------------------------------|------------------|-----------------|
| Area       | % Earnings Under | %10 Earned      |
| (£ Sterling) | £250 | £350 | £460 | Less than | More than |  |
| Barnsley  | 17  | 40  | 69  | 220.50 | 668.90    |
| Doncaster | 18  | 49  | 73  | 222.30 | 594.00    |
| Rotherham | 12  | 43  | 68  | 230.90 | 642.80    |
| Sheffield | 15  | 42  | 63  | 225.00 | 715.00    |
| South Yorkshire | 15 | 43  | 67  | 225.30 | 656.60    |
| England  | 12  | 35  | 56  | 240.00 | 852.60    |

Table 6.2  Distribution of weekly earnings: women in full time employment

<table>
<thead>
<tr>
<th>Area</th>
<th>% Earnings Under (£ Sterling)</th>
<th>%10 Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£250</td>
<td>£350</td>
</tr>
<tr>
<td>Barnsley</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Doncaster</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>Rotherham</td>
<td>12</td>
<td>43</td>
</tr>
<tr>
<td>Sheffield</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>South Yorkshire</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>England</td>
<td>8</td>
<td>27</td>
</tr>
</tbody>
</table>


As well as illustrating gender pay inequalities (see below) there are some interesting indicators in relation to the extent of low pay among men and women in Sheffield. This can be calculated using the above figures combined with the census data on numbers in full time employment. There are approximately 9112 men and 4348 women in the low pay bracket – a total of 13,460 men and women. This does not account for the number of people in part time employment, which according to the census amounted to 46,467 people (12.4%). By its nature part time employment is both insecure and low paid.

The above analysis points to the extent of economic restructuring and its impact upon social inequality. The contention that relatively low levels of labour demand in local labour markets have adverse impacts upon the effectiveness of supply side labour market policies including the NDU. The performance of the NDU according to available data is indeed problematic. As Hoogveldt and France (2000) argue in their study of the New Deal pathfinder programme in Sheffield the employability objectives are to a certain
extent being met with relatively positive outcomes in terms of qualifications and preparation for the labour market. This backs up national studies particularly in relation to young people.

However:-

On job outcomes, the Sheffield experience has been disappointing. Whether one looks at national core performance measures broken down by employment district, local management client survey data on option destinations, or our own sample client survey, the figures all point in one direction: at best, only about one third of those who completed the programme were in some job some months after the programme. In addition, if we factor in the 38 per cent of those who were eligible but dropped out before the end of the Gateway, that figure drops to less than 20 per cent (Hoogveldt and France 2000:126).

The question is whether this performance has improved given that the NDU has had time to 'bed in' since the Hoogveldt and France evaluation? A recent report by the Adult Learning Inspectorate (2001) an organisation established under the Learning and Skills Act 2000 charged with inspection of government funded learning presents its overall assessment as follows:

The quality of provision is not adequate to meet the reasonable needs of those receiving it. More specifically, training in Gateway to Work, the employment option, the voluntary sector option and the environment task force option is satisfactory, while the full time education and training option and the self employment route are less than satisfactory. The leadership and management of the Sheffield Unit of Delivery are unsatisfactory (Adult Learning Inspectorate 2001:1)

More recent data supplied by Job Centre Plus, a Division of the Department of Work and Pensions responsible for managing the New Deal emphasises the problems of realising the objectives of the New Deal for Young People (NDYP) – its largest activation programme.
All people between 18-24 years who have been claiming Job Seekers Allowance (JSA) for at least 6 months are required to take part on the NDYP. Initially all enter a Gateway Period where they are assigned a Personal Advisor who provides assistance with job search. At the end of the Gateway period if still unemployed four options are offered. Entry into full time education and training (EFT) for up to 12 months for those without basic qualifications, a job with a voluntary sector organisation (VOL), and a job on the environmental task force (EFT). The fourth option involves subsidised employment based training with day release for 6 months (Employment Option). Individuals returning to unemployment within 13 weeks after leaving an option go on to the ‘Follow Through’ which provides a service similar to the Gateway.

Table 7 Destinations of 18-24 year old leaving options by option left June 2002

<table>
<thead>
<tr>
<th>Destination</th>
<th>Total</th>
<th>Unsubsidised Employment</th>
<th>Other Benefits</th>
<th>Other Known Destination</th>
<th>Not Known Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Option</td>
<td>718</td>
<td>469</td>
<td>12</td>
<td>8</td>
<td>229</td>
</tr>
<tr>
<td>FTE/ Training</td>
<td>568</td>
<td>195</td>
<td>52</td>
<td>46</td>
<td>275</td>
</tr>
<tr>
<td>VS</td>
<td>475</td>
<td>199</td>
<td>17</td>
<td>5</td>
<td>254</td>
</tr>
<tr>
<td>ETF</td>
<td>331</td>
<td>137</td>
<td>15</td>
<td>10</td>
<td>169</td>
</tr>
<tr>
<td>Total</td>
<td>2092</td>
<td>754</td>
<td>96</td>
<td>69</td>
<td>927</td>
</tr>
</tbody>
</table>

Source: Sheffield Job Centre Plus *New Deal Indicators* Table 11 a p 57
The summary tables indicate that compared with the national average Sheffield 'under performs' in relation job outcomes of the NDYP in 2002. Data for where people go after leaving the Gateway reveals that around 20% find unsubsidised jobs from the Gateway. What is interesting is that one third of participants do not go into any of the options once leaving the Gateway and 14% of the total is not accounted for. In terms of destinations of those by options left (Table 7) this reveals that just under 50% go into unsubsidised jobs whilst 45% went into unknown destinations. What is striking about the NDYP performance is the data for Destinations of those leaving Follow-Through, by option prior to Follow Through. As mentioned above, people who go on to the follow through have failed to find work in their initial experience of the NDYP. Out of a total 2,950, 754 - around 40% - obtain unsubsidised employment. This indicates that despite intensive labour market measures involving the NDYP and the Follow Through, significant numbers are still failing to find unsubsidised employment.

Another feature of the programme is the under representation of women and Black and Minority Ethnic Groups. Between 1998 and 2002 a total 11, 998 people participated on the programme. This comprised 8,631 men, 3357 women and 1979 from BME population. For the latter, the performance in terms of obtaining unsubsidised employment is poor with just 302 (around 17%) being able to find a job.

*Crisis of Governance and Depoliticisation*

One of the key features of the operation of the Local Strategic Partnership is that it operates within a framework of representation which gives priorities to certain actors.
The Executive Leadership vets interview applicants to become board members. At the time of writing the voluntary sector did not have its quota of representation and only one member of the board has a Trade Union background. This contrasts with the Aalborg model where the key actors – trade unions, local government and private employers are given equal representation and where these constituents decide their own representatives.

Speaking about Sheffield, David Byrne suggested that the particular policies and programmes and the overall structure of economic governance is framed around a specific goal of "managing decline" rather than any serious attempt to re-industrialise the region (Byrne 2002). The inherent problem of managing decline lies with the complex spatial scales of state organisation involved with the regulation of labour. As Jones and Ward state:

> Several ramifications are worth noting. There are problems of accountability and a blurring of policy responsibility; difficulties of coordination exist both within and across different spatial scales, due to an emerging system of intergovernmental relations associated with "multi level governance", conflicting time horizons are present between those formulating and those implementing policy (Jones and Ward 2002: 481).

The more complex the geographies of regulation, the greater the difficulty of coordination. However this ‘lack of coordination’ or joined up thinking has also to be attributed to the various and contrasting political and social agendas embedded in state produced strategies. For example, there have been problems for the LSC and City Council to collaborate over labour market policy, and also the LSC complained about the lack of commitment from the Department of Work and Pensions to link skills
programmes with the New Deal (Interviews with Head of Employment Unit, Sheffield City Council, July 2002, and Assistant Chief Executive, South Yorkshire Learning Skills Council, August 2002). Different programmes embody their own specific discourses and political priorities.

The wider pressures on the New Deal to deliver have led to both a downward and upward rescaling of intervention. In terms of further decentralisation this has taken the form of neighbourhood renewal programmes and area targeting by Job Centre Plus through the formation of Action Teams. Sheffield is one of a number of pilots where the Department of Work and Pensions has formed informal teams which operate in deprived wards within the city. What is interesting about this initiative is the degree of reliance on community based organisations to develop outreaching work targeting 16 plus people into the New Deal programme.

Secondees from Sheffield Careers Guidance Service, Sheffield Centre for Full Employment, Sheffield Community Enterprise Unit, The Employer Forum and Workbase will work from the community sites with Employment Service (ES) advisors. They will deliver comprehensive, one to one advice, guidance and support for all eligible clients moving from welfare into work (DWP 2002 Action Teams About Action Teams Sheffield).

At the level of South Yorkshire, the Objective 1 programme is of crucial importance for the economic and social regeneration of Sheffield and as a source of matching funds for employment programmes. For example the ILM in Sheffield has to be operated as part of a South Yorkshire wide consortium to obtain Objective 1 fundings. This has involved a complex process of negotiation and development in order to ensure cooperation from different groups within South Yorkshire. This geographical scale of
engagement is imbued with conflicts in relation to intense competition between different agencies around programme objectives and funding priorities (Interview with Member of South Yorkshire Open Forum). Furthermore, the political and social geography of intervention is so complex and problematic (because of the scale of economic and social problems and because of the competing agendas of the local authorities involved) that there is a questioning about the efficacy and viability of the programme as a vehicle for regeneration (South Yorkshire Objective 1 Senior Officer interview August 2002). The programme is being wound down and it is unclear what replacement funding sources are to be put in place.

Local socialisation and different forms of coordination have been generated through the New Deal and related funding programmes constructed around partnerships where there is a key involvement of the voluntary sector. This has led to a shift in relations between the local council and voluntary sector which involves a number of embedded tensions.

As highlighted in an interview with the Chair of an inner city Community Forum (Interview, September, 2002) the declining city council profile and its restructuring under New Labour has led to less accessibility and communication between the council and local working class communities. Councillors and the power coalitions within the council are redefining priorities in relation to collaboration and joint work with local organisations. In many respects, the government’s policy is actively promoting the community as part of its ‘capacity building’ and emphasis upon ‘social capital.’
The involvement of the voluntary sector is uneven. The Burgreave New Deal for Communities as part of the Neighbourhood Renewal strategy for the city has experienced both dissention (see below) and exclusion. The Chief Executive of a local housing association which has a great deal of involvement with the development of the Renewal programme commented that there has been a process of disengagement with the running of the programme with many meetings only attended by Officers and Consultants (Interview October 2003). The outcome of depoliticisation is a further crisis in the difference between expectations and actual capacity for community and voluntary sector to deliver. As described above, in most cases the voluntary sector is not organisationally equipped to deliver what tend to be tightly monitored and targeted programme objectives. Of course, this is a major factor in policy failure, or in many cases, policies being reworked and designed to avoid legitimation problems.

Contesting Welfare Spaces in Sheffield – Contours of Mobilisation and the Struggle for Representation and Redistribution

This section will outline the political and social dynamics in labour market policy making by focusing upon two inter-related areas. The first is interest representation and the ‘politics of inclusion’ and the second is around policy regimes in relation to the negotiation or areas of conflict over the nature and implementation of various policies.
Interest representation within the partnership structures (at all levels) is modelled around the company board (in particular the Sheffield First LSP, South Yorkshire Learning Skills Council and Regional Development Agency) and those who are involved are there because of their expertise and having a stake in the policy making arena. Because of the orientation to expert involvement there is a predominance of civil servant and professional interests as well as the accommodation of private sector involvement. Voluntary sector involvement is limited not only due to the way the different groups and boards are constituted, but also because of the limited capacity to be involved with so many different partnership organisations (see below for a further discussion on this).

The organisation of representation on the Sheffield First Partnership Board and various families of partnerships is the subject of detailed comment in the Sheffield First submission for LSP status. The Board operates as a Company Board where co-option is decided through a nominations committee. On the Executive Board members are expected to be “at Managing Director Level or equivalent and therefore able to speak for their organisations without having to report back or seek guidance” (Sheffield First 2002: 10). The Partnership is keen to be inclusive and has established a Community Empowerment Fund to promote greater participation by the community sector. Significantly there is no mention of trade union representation and the private sector is seen as central in terms of representation:

Sheffield First Partnership has already developed a strong private sector membership with representatives drawn from the major sectors of the Sheffield
There is also strong representation from the local authority on the family of partnerships. Elected councillors make up 37% of membership but also significantly officers make up an even greater proportion of places on the boards (43%) with 9% from the community and voluntary sectors and 11% from local businesses (Sheffield First 2002:12).

However decisions about Sheffield's labour market policies and programmes are also made outside Sheffield at the sub regional, regional and national level and it is appropriate to consider the models and forms of representation at these levels. In this respect the scalar dimension of the state and its particular spatial competencies are of significance. The forms of representation and channels of communication or networks at the different levels of governance are of importance to Sheffield's space economy.

Taking first the Regional Development Agency, this is key for strategic policy and the priorities for urban funds (SRB and their replacement) and the RDA is organised on a company board basis where membership is vetted and chosen. This is steered by the Government Office of the Regions and does not have any formal trade union representation, although the full time secretary of the Yorkshire and Humberside Regional TUC is on the board on the basis of bringing a trade union perspective to policy debates. At the sub regional (South Yorkshire) level the two key organisations are Objective 1 Programme and the South Yorkshire Forum. The representation on the Objective 1 Programme tends to be at a senior officer and councillor level and a more bias towards councillor representation on the Forum.
It is clear that different social groups carry their own agendas in terms of how they are to be included and the particular forums and arenas where representation will be negotiated and fought over. Representation and mobilisation are often directly related to funding regimes that operate at different geographical scales creating a spatial hierarchy of representation. For example, the policy and political debates at the regional level within the RDA around employment and skills as it frames policy making in Sheffield tend to be conducted by a narrow range of interests with only the trade unions (from the 'voluntary sector') engaged with policy making. The trade union representative has considered this as vital in terms of being able to negotiate resources for trade union involvement with skills development. Furthermore, the negotiation around the New Deal for the Unemployed tends to be conducted by the TUC nationally (Interview with TUC National Officer October 2002).

It so happens that the full time Trade Union official is on every relevant partnership, although not necessarily as a TU representative. Significantly the restructuring of partnerships has not embraced trade union representation although the trade unions have not made it a priority to engage or campaign to be included in the Sheffield First Partnerships decision making structures and processes. Inevitably given the political and economic climate affecting the trade unions and employment relations the priorities for many local trade unions tends to be the employed in the work place. The dislocation between the unions and the unemployed has therefore important implications for the role of unions in terms of the way unions engage in labour market policy at a general level. The focus and priority is for ‘capacity building’ within the workplace and to facilitate
The forms of organisation which evolve from the voluntary sector are shaped by their own histories, cultural and social traditions as well as the funding and partnership structures around employment policy and urban regeneration. However in many cases both aspects are inter linked and woven. An example of this is the formation of the community and voluntary sector representatives on Sheffield First. The formation of OFFER (Open Forum for Regeneration) arose from demands by a coalition of the voluntary sector for greater representation on Sheffield First, and funds to resource this representation. Different voluntary sector partnerships have been formed in order to develop a unified approach to regeneration and reduce the divide and rule tactics, which tended to be used by power brokers in the local partnerships. These demands were the focus of intense struggle and were only acceded to after the voluntary sector leaders threatened Sheffield First that they would bring the dispute into the public arena.

The South Sheffield Partnership for example was established to access both SRB and Objective 1 funds in order to promote area based social projects – many related to access to the labour market. The Chair of the Partnership stresses the importance of localities and places where communities organise. One of the key areas of changes in the day to day activities of the voluntary sector is the weakening of links with the political process of the City Council and in turn the increasing lack of relevance of area based working with the voluntary sector. Although this may be anecdotal, the role of the New Deal for Unemployed is not as important within the poorer communities. The chair of
Norfolk Park Community Forum for example claims that very few people are involved with the NDU programmes (Interview with Chair of Norfolk Park Community Forum, August 2002).

**Gender struggles for Equality**

There are three areas of mobilisation which I will highlight. First, the role of the voluntary sector in forging gender interests, second, the policy agendas pursued by Sheffield City Council, and third the engagement of union strategies as they relate to women.

Compared with Aalborg, it is the voluntary sector rather than the unions, which is more heavily engaged with labour market policy. As part of the development of the Local Strategic Partnership (LSP) the different voluntary groups combined to form OFFER (Open Forum For Regeneration) which successfully pressured the LSP for greater representation and funds to resource this representation. Different voluntary sector partnerships have been formed in order to develop a unified approach to regeneration and reduce the divide and rule tactics that tended to be used by power brokers in the local partnerships.

Women's groups in Sheffield have criticised the partnerships. The Sheffield Women's Forum, an umbrella organisation of women's groups in the city state in its annual report:

> ......the position of women in local and regional development is characterised by gender blindness or gender neutrality, which results in unequal participation
and unequal benefits in terms of men and women in local and regional development. Further, the current focus on increasing women's participation as economic actors ignores the role of women in the social economy, as well as the cultural and political life of communities, and does little to acknowledge the real tensions inherent in the reconciliation of home, work and family life. (Sheffield Womens Forum 2002)

In many respects, argue the Women's Forum, area regeneration militates against the prioritising of specific gender interests in such areas as training. The focal point and space of mobilisation has been around the South Yorkshire Objective 1 Programme (which led to the development of the South Yorkshire Womens Development Trust as a funding arm of the Forum) as a key source of funding for employment and training. This has been problematic and the subject of intense and bitter struggle by the Forum because of the 'rules of engagement' for bidding requiring a South Yorkshire wide form of organisation (Member of Women's Forum interview, August, 2002).

Women's organisations have engaged directly with the New Deal. An example is SCOOP Aid, an organisation which represents one parent families in South Yorkshire which has developed strategies for increasing funds for projects which assist one parent (which is mainly women) into the labour market. At the same time the organisation has played an important role in lobbying around issues where the New Deal is failing women such as in child care, rules on benefits and the minimum hours rule (36 hours work per week) which acts as a barrier for women obtaining work (SCOOP Aid 2001).

The city council, despite its diluted role in economic and social regeneration, is still a major 'player' on the local strategic partnership. Compared with Aalborg, there is a more comprehensive agenda and politics of equality. For example, in addition to ethnicity and
disability, equality work involves domestic violence, and gay and lesbian rights as well as gender. There is no doubt that this has come about from the struggles within the City Council during the 1980s for a more pluralist approach to economic and social policy. This should not be taken for granted, and is a result of coalitions of progressive forces within the local authority as well as external labour and social movement pressures to maintain some form of antidote to a more dominant liberal politics (Interview with Equality Officer, Sheffield City Council, 2003).

The city council produced a report on women and inequality for the LSP Social Inclusion Board which highlighted the extent of women's social inequality and that many aspects of national and local policy contributed to it.

The labour market operates in a way that can cause inequality between men and women and create the conditions which make women more vulnerable to poverty. Those policies which are intended to combat poverty and exclusion can often exacerbate this vulnerability (Sheffield City Council 2003:3).

Although it is too early to assess the impact of this report, there is evidence that the main findings and recommendations are being used by the voluntary sector as a tool for lobbying and mobilising for a more inclusive labour market policy (Interview with Equality Officer, Sheffield City Council 2003).

Whilst trade unions are not directly engaged in many of the New Deal partnerships, it is important to note that there is a presence in localities, particularly as they are relatively heavily organised in the public sectors which are also the main employers in most urban centres. In Sheffield unions are involved in collective struggles and mobilisation through
the medium of local Trade Union Councils. These dynamics are important in relation to equality politics where the main public sector union, UNISON has sought to develop a politics of diversity which has given independent voice for women, black and gay and lesbian groups (Colgan and Ledwith 2000). This type of mobilisation is important because of the 'spill over' effects on local politics. Unison is the main town hall trade union, and women activists have (in some cases) tended to incorporate their union politics within local government policy discourses.

City Council Employment Strategy

The closure of the City Council’s Employment Department and restructuring of functions within and outside the Council has brought about considerable tensions and conflicts over responsibilities and functions not to mention confusion (interview with former officer of DEED, February 2002). At the same time there is the development of an employment strategy within the Council to engage with the various labour market funding programmes and for the Council to use the NDU in terms of in house training (see above).

The Employment Unit (in the Education Department) takes on a coordinating role, although the main impetus and initiative for training and development has tended to come from the Works Department. As mentioned above, this has led to the support and promotion of the ILM, Job Net and Job Match. Job Match is interesting in that it arises from a wider initiative for a more interventionist approach to labour market development with a greater coordinated public sector led involvement – in contrast to the guiding
principles of the New Deal. Job Match promoted by the Works Department, involves the use of SRB Round 6 Funds to promote investment in the city with the council in partnership with employers identifying training and labour skill requirements. The idea of Job Match is to design training programmes so that those who are at a distance from the labour market are able to be made ‘employable.’ Although this approach is similar to ‘traditional’ local government economic development programmes, nevertheless within the current climate and ideologies it represents a more radical and proactive role for local government in labour market development.

The idea of Job Match has led to the formation of construction compacts and the negotiation of local labour agreements in construction schemes in Sheffield which also involve job training. Again the idea of contract compliance and local planning agreements has been a central element of the politics of employment policy of the 1980s, but it is interesting how this has still found resonance within certain parts of the council. The implementation of compacts and Job Match has involved packaging various funding programmes. What is significance is the problem with using the New Deal and there are two reasons for this. First is the lack of commitment within the city council by managers to use the New Deal. Second, is the lack of resources devoted to the New Deal in terms of counselling and coordination with the City Council in terms of more complex training programmes. The underlying tensions and contradiction lies with the general strategic direction towards an enabling role for the council, which cuts against the grain of the council trying new innovations and initiatives (Interview with Head of Training, Sheffield City Council Works Department September 2002).
Area Struggles for Equality: Sheffield’s New Deal for Communities – Cohesion or Discontent?

The two distinguishing features of New Labour’s Urban Policy are the commitment and intention to ‘join up’ and link various economic and social policies with neighbourhood renewal a key vehicle for this. The other is the reliance on the voluntary and community sectors in regeneration. The designation and establishment of Burngreave New Deal for Communities (BNDC) gave impetus for such a strategy within Sheffield. Burngreave is an inner city area orth of the city centre, which contains a diverse ethnic population. It is predominantly working class and poor but has a tradition of community mobilisation with a high level of activity through the Burngreave Community Action forum. The BDNC is a major element of Sheffield First LSP Social Inclusion Strategy and its Neighbourhood Renewal Strategy with aim of narrowing the gap between the most deprived areas and the rest of the city (Sheffield First 2004).

The Interim Partnership Board’s Delivery Plan (Burngreave New Deal for Communities 2001) highlights how the community perceives the problems of the area and its perspective on employment. In relation to the problems of the area, baseline data analysis and a residents’ household survey has revealed that a prominent problem is low income and debt. Institutional discrimination lies behind many economic and social problems of the area. The intensity of low incomes is illustrated by the fact that 40% of household are dependent on income support and 31% of household are living on annual incomes of £5,000 and a further 22% living on income below £8,000. The community survey revealed that 27% of households interviewed are in debt. Furthermore, house
prices in the Burngreave area are 44% of the Sheffield average, and it is 'common knowledge' that in many parts of the BNDC area houses are not easily saleable (BDNC 2001, 5,8).

Many of the strands of the "Enterprise and Employment Strategy" see the importance of the New Deal for Unemployed, intermediate labour market programmes (p30) but the key issues identified imply a more comprehensive and redistributive welfarist agenda:

It is not just worklessness that is a problem in Burngreave, so is low pay. Moving people from benefits to low paid jobs will not improve the local economy, or make life better for the people of Burngreave. We must also seek to prevent people from becoming unemployed and from swinging in and out of low paid work. We should not exclude people who are working but want help in finding a better/more suitable/more permanent job. We should be encouraging people to develop higher aspirations. We should then be helping them to achieve their new aspirations (This is considered a high risk strategy as failure to deliver would leave the target group very disillusioned) (BNDC 2001:29).

What is interesting here is that tackling low pay and incomes is not prominent in the LSP social inclusion discourse.

The BNDC is in the early stages but there is evidence that its 'capacity' to deliver is problematic, and there are deep-seated tensions between different community aspirations about priorities for spending funds, and between the community organisations and the administrators of the funding programmes. This conflict of interest is between aspirations about what is seen as important for the benefit of the area and the operational and regulatory complexities of the various initiatives/funding packages that are in place (interview with Consultant April 2003). This latter conflict has spilled out into the open with a detailed article written by one of the activists to the Sheffield
Telegraph who complained about the way the BNDC was being ‘highjacked’ by external consultants and the problems involved with actually spending the money where it is intended.

In the first 12 months, BCAF (Burngreave Community Action Forum) groups, members and structures have been effectively marginalised, or perhaps even more taken over by the New Deal. ...One final problem, so far unsolved, is how to get the money to the local communities to enable enterprise to flourish. As Chair of Spital Hill Local Centre Study Steering Group I am constantly asked “when are we going to see some improvements?” I want to know the answer myself. We have so far spent almost £50,000 on outside consultants (Sheffield Telegraph 15 March, 2002)

This pressure has intensified with a more open conflictual situation occurring with the formation of a campaigning group “The Voice of the People” being established to secure a faster rate of spending. A Youth Worker who ran a project for young people which ran out of money stated “Money has not been spent on young people. They are still going to jail and still being victimised” (cited in Sheffield Star, 24 February 2002).

*Voices of the Unemployed in Sheffield*

As the TUC sponsored centre, Sheffield Centre for Full Employment formerly had a strong advocacy role in Sheffield but has evolved as an agency for labour market programmes, in particular the ILMs. This has led to a gap in the politics of unemployment in the city where the trade unions have little engagement. As in Aalborg, evidence of how the unemployed negotiate and resist welfare to work needs more detailed research through interviewing the unemployed. There are however two areas of evidence which can suggest some possible trends and developments. First is the study
of Hoogvelt and France (2000) in their evaluation of the New Deal Pathfinder for Young People interviewed a cohort who they categorised as the Disengaged who had chosen not to participate in the New Deal. Some of these interviewed had previously been in employment, had claimed that the New Deal pushes people into low paid jobs and some seemed to consider that they could find work on their own initiative. Interestingly most voluntary and community sector workers and activists have made similar observations where people have become disengaged with labour market programmes. In this respect, welfare to work as a way of adapting and conditioning people to the labour market is having limited success.

Welfare to Work and the Contract State: Trade Union Resistances

As highlighted in the previous chapter (Chapter 5) the delivery of welfare to work involves a mixture of public and private sectors. Staff in the Job Centre Plus Agency have been subject to performance appraisals which are stringent and can lead to disciplinary measures if targets are not met (Interview with P.C.S. Union Full Time Official September 2003). Each district office has to meet targets and this has been the subject of negotiation by the staff and unions. In May 2004 several managers were suspended without pay for refusal to co-operate with the system, which led to an unofficial strike action. This has been responded to by the threat of mass suspensions by senior management (Sheffield Star 27 May 2004).

The other example is the financial crisis experienced by Sheffield Futures which performs the Connexions service and also the Gateway functions of the New Deal (see
above). This is an agency, which has to generate a profit through its services, and depends upon contracts with the government for its funding base. It has experienced a funding "shortfall" which has led to the threat of mass redundancies. The unions have responded with a publicity campaign, a walk out and a vote of no confidence with the Chief Executive (Sheffield Telegraph 27 February 2004). This opposition has extended to local schools. As one school Head Teacher commented "When the Connexions Service was introduced we were inundated with publicity telling us this service was going to offer personal advice and counselling to all young people and it will improve on previous services. Bradfield's experience is that this has meant cut backs year after year in the amount of time given to young people in the school." (Sheffield Telegraph 20 February 2004).

Conclusion: Fragmentation Depoliticisation and Contestation Around Welfare to Work

Neo liberalism in Sheffield promotes fragmentation and the large number of organisations reflects this. In contrast with Aalborg, lines of accountability are confused and less open to public scrutiny. A splintering process has occurred, promoted by the operation of the various funding regimes and reinforced by the complex social relations of ethnicity, gender age etc. There is however a strong pull towards collectivism and shared interests amongst identities and places. People's sense of place and community are a focal point of shared interests particularly in the poorer parts of Sheffield - but the stimuli for developing campaigns and forging their interests tends to be around all the issues of class oppression such as poverty, exclusion, etc. The location of struggle
around representation and resources also takes place at different scales including locking into collective mobilisation at central level.

The argument here is that whilst the state 'disempowers' and divides social mobilisation within cities, it is also important to emphasise cross cutting struggles, the capacity of collectivism and contestation at different scales. Furthermore, the question of unity of interests within the state and business interests also has to be analysed as part of an overall assessment of the balance of social forces. Crucially, social struggle against neoliberalism has a cross cutting dimension in that resistance to certain social policies will have 'knock on' and related impacts in other policy areas. Furthermore, whilst the emphasis on fragmentation is correct, and indeed it is appropriate to analyse local political struggles as a crisis in collectivism, nevertheless it would be dangerous to under emphasise the capacities of groups to develop joint strategies and critically engage with dominant actors. For example, all voluntary and community organisations interviewed are networked into central government and national policy arenas which were frequently used for lobbying or negotiation. This highlights the capacity of different organisations to 'jump scales' in terms of mobilisation and contestation (see Chapter 3).

The restructuring of the local welfare state has had far reaching impacts upon the nature and forms of political struggle and mobilisation in Sheffield. Although there has been a considerable decline in the role of trade unions in the manufacturing sector, the profile of the trade unions in the public sector - local government and health is still relatively high. As outlined above, union involvement with labour market policy is peripheral, but the struggles over social reproduction such as health, housing, social and community
services, and child care are of significance. An example is the mobilisations in 2002 against public private financing of the public sector is involving a number of campaigns in the city. However, the mobilisations which build links with the unemployed are quite weak and the interests of the unemployed tend to be represented or taken up by the numerous voluntary organisations in the city.

The Sheffield First Partnership has consistently promoting the fact that Sheffield has 'turned the corner' and is becoming a city with a European status. Whilst there is growth in GDP, a reduction in unemployment, there is still significant numbers of people living in poverty and experiencing worklessness. The impact of the New Deal in terms of participation has been self evident (see Table 7) in terms of mobilising the unemployed but current evidence suggests that there is little significant change in its impact on employment outcomes since the study undertaken by Hoogvelt and France (2000), which found that the routes to sustainable employment (i.e. still in employment some months after being employed) were limited. In Sheffield the New Deal (and thus workfare) has an important relationship to wider economic strategies of bringing in inward investment in that it acts as a mechanism for adapting people's expectations in terms of making them more realistic about the local job market which has a tendency to be dominated by the creation of insecure and low paid jobs (Hoogvelt and France 2000).
CHAPTER 7

DANISH ACTIVATION: THE NORDIC SOCIAL DEMOCRATIC MODEL FALTERS AND TOWARDS INCREASING WORKFARE?

Introduction

In 2001 in Denmark a government coalition of the political Right was elected after 9 years of a Social Democratic led government. Its political and social strategy has many elements in common with New Labour’s welfare reforms. On the other hand, as will be surveyed in this chapter the imposition of neo liberal politics is not a straight forward project. In the early 1990s ‘welfare to work’ was implemented by the former Social Democratic Government which involved for the first time in any sort of comprehensive fashion the notion that benefit entitlements should be tied to obligations to accept one of a choice of various labour market schemes. As Goul Andersen states the focus of the reforms is on “an ever-strong emphasis on the duty to work, to some extent on a communitarian notion of work as the core of citizenship and social integration”(Goul Andersen 2002:71). Whilst the government’s approach has much in common with the UK New Deal for the Unemployed, there are many differences which are rooted in Denmark’s contemporary political economy and the historic legacies of the construction of the Danish ‘nordic’ model.

The next section focuses on the historic dimension to this in relation to the construction of the post war settlement and modern Danish Social Democracy. This is followed by an analysis of the key changes in relation to welfare and labour market reforms involving a
move towards ‘workfare’ type policies. These changes have strong ideological and discursive aspects, which is the subject of the following section. After this section the chapter analyses the rescaling of economic governance and its political repercussions in the restructuring of welfare geography and territory. The concluding section returns to the theme of political struggle and social forces in terms of assessing contemporary politics of welfare and labour market reforms. The implications of this approach and analysis will be drawn out in a separate comparative chapter on the UK and Denmark.

The Construction of the Post War Welfare Settlement: The Consolidation of Danish Social Democracy

Danish social democracy was born out of a mass struggle at the end of the 19th century, which focused around employment and trade union rights. A major agreement was reached in 1901, after a bitter lock out which established management’s rights to manage, and the trade union movement’s rights to association, representation in policy decision making and a series of welfare reforms embracing social insurance, health and universal benefits. The agreement embraced a collective bargaining system, which included industrial peace agreements, which placed quite severe restrictions on the organisation of strikes and industrial action. The institutionalisation of trade unions within the wider polity is summarised by Lind:

The alliance between trade unions, employers’ organisations and the state regulates basic relations in society and is a clear strategy which maintains a harmonious labour market without serious conflicts...and secures industrial relations with an intensive dialogue between the parties. Danish trade unionism is an ‘opposing power’ because it organises and articulates worker’s interests, but it is certainly also an ordering factor securing stable industrial relations (Lind 1996:117).
Furthermore, the active role of the women's movement within the trade union and labour movement has been crucial in defending redistribution and universal components of social policies. The design of social policies such as maternity rights, comprehensive childcare and the state taking on other carer roles generally performed by the family (i.e. women) has been crucial in facilitating women's access to the labour market. Women's activity rates in the labour market in Denmark are the highest in Europe (Siim 2000).

The organisational aspect of the settlement needs to be located in the traditions and culture of local self governance, which were prominent features of a radical agriculture-based movement during 19th century, which through religious organisations created networks of poor relief, education and political organisation. A highly decentralised system of local government has consequently developed and during the post war period has been charged with major welfare functions. Today, there are 275 local councils (municipalities) which carry out planning, social services, care for the elderly, child-care, social security provision, primary education, and utilities (water, energy, waste). Above this, 14 county councils (regions) provide regional planning, transport, secondary and further education, environmental policy and health (see Etherington 2003).

A heterogeneous and differentiated capital and business structure has been an integral feature of economic development in post war Denmark. The decline in agricultural employment due to industrialisation has been the most significant aspect of labour market restructuring in terms of creating reserves in the peripheral regions exploited by incoming small and medium sized companies. This has been accompanied also by migration of rural workers into the cities. The social and political significance of these developments is that many workers, although members of trade unions are not
necessarily covered by collective agreements to the extent of the larger industrial companies and public sector. Thus the predominance of the small firm, the class alliance and compromise adopted by the ruling SDP and LO (Danish TUC) and the growing political disaffection of those constituting the reserve army - young people just entering the labour market and long term unemployed - has created an interesting juxtaposition between a powerful labour and trade union movement on one hand and a malleable and compliant workforce on the other (Christiansen 1994).

These labour market changes have had geographical dimensions. The industrialisation of rural Denmark reinforced spatial uneven development in that employment was predominantly unskilled and the more vulnerable sectors were located in the peripheral regions, whilst employment in the more resilient sectors such as business services has been concentrated in the Capital region of Copenhagen.

The post war boom was guaranteed by a relatively long period of industrial peace, bought by the promise, and delivery of wide scale social and welfare benefits by the SDP government. The end of the post war boom in Denmark was accompanied by increasing unemployment and a slowing down in the rate of capital accumulation (Brinch 1974).

Christiansen describes political and social mobilisation as involving class fragmentation during the 1970s, with a campaign by the Progress Party against the welfare state and for law and order. Parallel to this was the growth of the extra parliamentary left such as the Communist Party and Socialist Peoples Party, which enjoyed some electoral support and also support from a rapidly growing public sector work force. This fragmentation and
the economic crisis (feeding off each other) led to the decline in support for the SDP and the emergence of the Conservative-Liberal (Schluter) Government in 1982. In essence the formation of this government consolidated the ascendancy of capital in Denmark – for the next 10 years a series of policies of deregulation, privatisation and modernisation of the public sector. Wages were reduced in real terms and the consequences of deflationary policies were high unemployment and social cleavages (Christiansen 1994: 97).

Significantly the Schluter government was unable to impose an anti union and welfare strategy to dismantle the welfare state, primarily because of the balance of class forces and consensus prevailing around supporting social redistribution. At the same time a debate did emerge about the need for the state to be more pro-active in tackling unemployment (Schuer 1998). In 1993 an SDP coalition was re-elected to replace a growingly unpopular right wing government, but under new leadership and politics. At the time of the election of the SDP coalition, some major discussions on the future of welfare and employment policy were being held through a group of people - the Zeuthen Committee - charged with investigating the future of labour market policy and the benefits system. High unemployment and increasing social inequalities as well as a rapidly growing public sector in Danish society were the concern of the government leading to a complete re-examination of the Danish welfare model. There was some room for manoeuvre for the new government. It had broken its close ties with the Danish LO (TUC), and the climate for change was still being influenced by conservative/neo liberal versions of keynesianism. However, the balance of class forces was such that the organisations of the trade unions had not been decimated by unemployment, even though the LO leadership had also politically moved to the right. The political and social
climate did not exist to radically modify the social compacts between labour and capital (as occurred in Sweden for example)(Schuer 1998).

In Denmark, the welfare consensus has not been fractured to the same extent as in Sweden. Despite mass unemployment during the 1980s and considering that a long term Conservative – Liberal Government was in power for 10 years, the changes to welfare and social policies were quite unremarkable (although some significant austerity measures were implemented) compared with the Thatcher Government. The balance of class forces were such that the trade union and industrial relations systems were maintained (union membership increased in Denmark during the 1980s). The strength of popular forces from below is a common explanation for the retention of the structures and policies of the Danish welfare state has been retained (Etherington 1998 Andersen 2001, Huber and Stephens 2002).

Neoliberalism Meets Social Democracy: The 1990s Reforms and the Construction of an ‘Active’ Welfare State

Whilst significant political and social changes have served to ‘challenge’ the original Danish ‘Nordic’ welfare ‘model’, nevertheless there are two important elements of this model still in operation.

- The labour movement is still a key bargaining partner and collective agreements systems are still in place, which are of crucial importance to social solidarity arrangements (Scheur 1998). However changes are occurring which may be weakening this model (Lind 1999). Social movements in relation to welfare services,
especially the women's movement are of importance for defending the current arrangements (Slim 1998).

• The so called consensus of support for the Danish 'model' is still intact (Goul Andersen 2001) and the forms of 'social partnerships' and consensus building also prevail. Danish political scientists have characterised Denmark as a form of 'negotiated economy' where institutions are opened up to more inclusive forms of representation (Amin and Thomas 1996 Pedersen 1993).

However, these political and class relations are under 'threat' from the new conservative - liberal government which is clearly pursuing a neo liberal agenda in relation to social and welfare policy. The question as to how this will unfold and in what direction the Danish settlement will be 'steered' will be explored in a later section in this chapter.

The Danish strategy to welfare during the 1990s has evolved through a major reform of the welfare state establishing a welfare through work model where benefits are used to subsidise active labour market policies (Etherington 1998, Etherington and Jones 1999). Because of the element of compulsion in activating the unemployed this strategy has been characterised by a form of 'workfarism' as the Danish state heads down a path towards a Schumpeterian 'offensive workfare' state (Torfing 1999). Torfing summarises the essential differences between Denmark and the UK as follows:

At a more concrete level the point is that in countries with a liberal predominance and weak trade unions an institutional integration of the employment exchange and the administration of unemployment benefit payments will tend to give low priority to job placement, training and education and a high priority to repressive surveillance and control over unemployed people's willingness to work.....In social democratic countries with an institutional separation, the civil servants can spend all their resources on job placement, training and education. The unemployed are empowered by the
universal welfare system....This explanation fits well with the case of Denmark, which is a social democratic country with strong trade unions... (Torfing 1999:23).

There is much of what Torfing states, which is persuasive. There is a wide consensus of support for the Danish welfare system and strong trade unions are an important element in the Danish ‘model’. However, the analysis is devoid of an understanding of history, class politics, contradiction and movement in terms of what ‘path’ or trajectory the Danish state is heading. There is an exaggeration of the progressive elements of the model. It can be argued (as will be developed in more detail below) that the new welfare arrangements could involve a fracturing and destabilisation of current welfare accords and consensus.

It is necessary to understand the historic legacies of the construction of the Danish welfare state in order to analyse the political and social contradictions which are embedded in the current workfare and activation programmes. During the 20th century, two systems have evolved in relation to the management of benefits. One arises out of the social struggles for an active trade union representation and involvement in welfare provision where the unions originally organised their own unemployment insurance (UI). This organisation was formalised in the creation of unemployment trusts, which are financed by the state, employers and employee contributions. This is close to the German ‘Bismarckian’ model of unemployment insurance with the vital difference that in Denmark (and other Scandinavian countries as well as Belgium) this is managed by the trade unions not the state. It is this management of unemployment insurance which is an important factor in explaining why trade unions still have a link with the unemployed on unemployment insurance. A trade union branch for example will have its own UI office
and as well as the administration of the benefits will provide other advice services to the unemployed relating to welfare rights and employment matters.

The other system, social assistance, originates from the management of the poor laws by local government during the 19th century. The 1891 Poor Law formalised the role of local authorities in the administration of poor relief and in the 1933 Social Reform pensions, social services and social assistance was placed in the hands of local authorities. Local authorities have traditionally been a battleground for control by the farmers and labour movements and it can be argues that these struggles were crucial in shaping the decentralised welfare state. As competences were extended to local government many aspects of social welfare provision, tight central control has also been exerted to the extent that many services operate within frameworks and guidelines drawn up by the Ministries in Copenhagen. On the other hand this centralisation is accompanied by some element of ‘autonomy.’ This reflects different political struggles around control of finance and agendas which have shaped 20th century reforms. Jørgensen summarises this as follows:

As a result of complex local government reforms, the municipalities took a historically decisive step out of the traditional role as units of local self government, being in charge of their ‘own’ affairs. The dual historic constitutional roles of the municipalities as local self government and state administrative entities emerged (Jørgensen 2002:57).

With the local authorities responsible for the administration of social assistance and the county councils for the provision of some elements of vocational training, the role of local government for intervening in local labour markets became consolidated during the post war period. This related to the fact that most social, health, transport, environmental and planning services became allocated to local government.
Under the 1994 Labour Market Reforms, policies were introduced to ensure that social security and unemployment benefits were conditional on accepting various offers of educational leave and employment training. Each unemployed person is entitled to career counselling which involved a legal contract in relation to an agreed action plan regarding training etc. This is conceptualised as a needs orientated approach to labour market planning because the aim was to analyse career and skill capacities in relation to an understanding of skills shortages in the local economy. The Regional Labour Market Councils (RLMC) undertake this function. A training and job placement package was also introduced involving paid leave schemes comprising of educational, sabbatical and childcare initiatives. The educational leave scheme provides opportunities for unemployed aged 25 years and over that are members of the Unemployment Insurance system to participate in educational and training programmes for a maximum of 12 months. They receive an income that is equivalent to the maximum unemployment benefit. This is available for those in employment and is often used to implement job-rotation, whereby those undertaking leave will be replaced by unemployed individuals, with the employed being provided with employment training and vocational education to increase their skills. Activation programmes for UI claimants are managed by the Employment Service, which is organised on a regional basis (see Figure 4 below).

Local government provides employment training for those claiming social assistance from the local authority. Eligibility for the Unemployment Insurance System (UI) is tied to previous employment. Many people in the insurance system, however, find work placements in local government (Goul Andersen 2002). Figure 4 shows the essential differences between the two systems operated by the Employment Service and local authorities respectively. The key element of the system is that those members of the UI
system are under the auspices of the Employment Service, although they can still participate in activation programmes offered by the local authorities. The local authorities, through their responsibilities for administering social assistance claimants are obliged to offer similar types of activation programmes. These programmes are modified and adapted to take account of the fact that social assistance claimants have special needs because they are either long-term unemployed having previously come out of the UI system or new entrants to the labour market.

Whilst Figure 3 shows the intensive nature of the activation system, Table 8

**Figure 3. Activation of Unemployed Young People in Denmark**

<table>
<thead>
<tr>
<th></th>
<th>With unemployment</th>
<th>Without unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of income</strong></td>
<td>Unemployment benefits</td>
<td>Social assistance benefits</td>
</tr>
<tr>
<td><strong>Responsibility</strong></td>
<td>The Public Employment</td>
<td>The Municipalities</td>
</tr>
<tr>
<td>Commencing after</td>
<td>6 months unemployment within the last 9 months</td>
<td>3 months of a year on social assistance</td>
</tr>
<tr>
<td>Duration of activation offer</td>
<td>3 years</td>
<td>For unemployed persons <em>with</em> professional or vocational qualifications and &quot;unemployment as the only problem&quot;: 6 months For unemployed persons <em>without</em> professional or vocational qualifications and persons with &quot;other problems than unemployment&quot;: 18 months</td>
</tr>
</tbody>
</table>
Figure 3. Activation of Unemployed Young People in Denmark (cont’d)

| Types of activation offers | For unemployed persons without qualifications or less than 2 years of prior employment only: | 1. Specially planned educational courses  
2. Job training  
3. Individual job training  
4. Specially planned training courses  
5. Voluntary, unpaid activities |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|                           | 1. Education  
- Through specially planned courses of 18 months’ duration during which income may not be in excess of 50% of the maximum unemployment-benefit rate or  
- Through the regular educational system on student grants or the current trainee salary  
For unemployed persons with qualifications or more than 2 years of prior employment also: |  |
|                           | 2. Private job training  
3. Public job training  
4. Pool jobs |
| Contractual* relations    | The unemployed person is entitled to an individual action plan | Municipalities may decide to prepare a written activation plan activation plan activation plan |
| Sanction                  | Either activation or the right to unemployment benefits is lost | Either activation or the right to social assistance is lost |
| Maximum benefit period    | 4 years. After 4 years’ unemployment, the person will be transferred to the municipal social assistance system | Unlimited |

Source: Bredgaard (2000:26)

show the expansion of the activation schemes in Denmark during the 1990s.
Table 7 Average Number of Full-time Participants in Labour Market measures (000's)

<table>
<thead>
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<tbody>
<tr>
<td>Subsidised employment</td>
<td>60</td>
<td>51</td>
<td>49</td>
<td>49</td>
<td>46</td>
<td>42</td>
</tr>
<tr>
<td>Education</td>
<td>24</td>
<td>17</td>
<td>23</td>
<td>24</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>Other Leave</td>
<td>51</td>
<td>82</td>
<td>63</td>
<td>47</td>
<td>43</td>
<td>34</td>
</tr>
<tr>
<td>Early retirement</td>
<td>119</td>
<td>138</td>
<td>167</td>
<td>171</td>
<td>177</td>
<td>180</td>
</tr>
<tr>
<td>Total in Labour Market Measures</td>
<td>256</td>
<td>293</td>
<td>305</td>
<td>294</td>
<td>298</td>
<td>303</td>
</tr>
</tbody>
</table>

Source: Bredgaard (2001:37)

This programme was accompanied by substantial resources, and by 1999, 7.3 billionDKr or around 700 million pounds was allocated to the 14 Regional Labour Market Councils (Hansen and Hansen, 2000:14).
One of the prominent trends in this period is the increasing numbers entering early retirement whilst there has occurred an overall reduction those involved in the activation schemes (other leave including child care and sabbatical) mainly as a result of falling unemployment in this period. However the priority of educational leave for the employed and unemployed is indicated by the steady increase in numbers participating in vocational training.

The 1998 Social Policy Act and Finance Act of 1999 placed increased responsibilities on local government for the most vulnerable groups in the labour market i.e. those claiming social assistance (see Rosdahl and Weise 2001). This is referred to as the Social Inclusive Labour Market (SILM) which is the equivalent to the UK ILM programme implemented under the New Deal (see Chapter 5). An increasing drop-out rate from the UI system was occurring because of the tightening eligibility rules where time limits were reduced for those claiming UI, and also due to increasing barriers for certain groups such as young people, immigrants and ethnic minorities to gain access to employment. As a consequence, an increasing proportion of the unemployed are claiming social assistance and individual job training schemes are offered to those who cannot be placed in ordinary job placements and require special training and supervision. In addition to job training, ‘flex jobs’ have been created for people who have a ‘reduced capacity’ for employment. These are special employment schemes geared to people with health and social problems. Both the public and private sectors can employ people in the so-called ‘flex’ jobs but in cases where people are experiencing severe social problems, local government acts as the employer. In addition, local councils are required to produce Individual Action Plans for those on Social Assistance and the unemployed have a choice from a menu of job training and other vocational orientated training. The
more recent reforms have promoted an important campaign around 'socially inclusive' labour market policies, because local authorities are legally required to co-ordinate social inclusive programmes with the other social partners through the establishment of local social co-ordinating committees (see Keane and Corman 2001; Ploug 2002; and below).

It is also important to emphasise four additional areas of local government responsibility following the 1998-99 legislation that have increased access to work (Pedersen et al 2000). One is transport, which although subject to privatisation and outsourcing in recent years, remains primarily within local government control in terms of planning and subsidy arrangements. Second, the availability of subsidised childcare has important consequences in relation to women's and men's access to the labour market. The third relates to education, where special initiatives have taken place to promote post-16 school study. Fourth, the system of financial compensation established during the 1930s -- whereby richer local authorities subsidise poorer authorities via a system of financial transfers (including additional transfers from central government to pay for social assistance and subsidise childcare) -- remains in operation. Hansen and Jensen-Butler (1996) argue that this has been crucial in combating uneven development and the worst effects of economic restructuring in urban areas. Last, the retention of public sector employment levels throughout the 1990s has been an important dimension of sustaining labour demand in urban areas (Danish Government 2000).

The 14 regional Labour Market Councils (whose boundaries are coterminous with the County Council system) undertake the administration of labour market programmes. The LMCs are corporatist-style institutions with planning and implementation undertaken by
the ‘social partners’ -- local government, trade unions and the employers -- who have equal representation within the 14 regions. This mirrors the composition of the Central Labour Market Council, where local government is represented by the KL (National Local Government Association). LMC boards have executive status, are supervised by the central government Labour Market Authority, and their policies and plans are subject to approval by central government. The LMCs are allocated responsibilities to produce labour market plans and submit these to the national council. These set targets and identify labour market priorities for the respective region (or county council). The LMCs are accordingly allocated substantial budgets for priority labour market measures (see Keane and Corman 2001).

The increasing role and power allocated to the LMCs in terms of labour market policy decision-making, then, is an important feature of Denmark’s re-scaled state apparatus. In many respects the regionalisation of politics through the LMC and associated networks is a defining feature of the welfare reforms. The Danish State regulates interest representation and this provides a space for influencing both the form and function of public policy (Etherington and Jones 2004, see also (Ploug 2002).

The second area of significant development in relation to labour market governance is the establishment of local social co-ordination committees (koordineringudvalg) for each local authority area. Although these are legally required by the Active Social Policy Act and its emphasis on the ‘socially inclusive labour market’, such committees had previously been established informally as a result of the 1994 reforms by some local authorities (see Keane and Corman 2001). Post-1999 legislation, however, places a legal responsibility on local authorities to establish committees with relevant
representation from the social partners (trade unions, employers and local authorities, as well as from the health and social sectors). These social committees are allocated budgets in order to establish projects and initiatives, which seek to facilitate labour market integration by creating more socially inclusive forms of governance (Danish Government 2000; Ploug 2002).

**Workfare Activation and the Rescaling of Economic Governance and Territorial Politics**

The increasing role and power allocated to the LMCs in terms of labour market policy decision-making, then, is an important feature of Denmark's re-scaled state apparatus. In many respects the regionalisation of politics through the LMC and associated networks is a defining feature of the welfare reforms. The Danish State regulates interest representation and this provides a space for influencing both the form and function of public policy (Etherington and Jones 2004).

The second form of rescaling that involves a form of 'displacement' to overcome 'steering problems' of the state is the creation of new "networks" between municipalities and counties involving collaborations around specific development goals – particularly to promote investment and economic development.

Until the 1980s, local government did not play an active role in relation to intervening in the local economies. This changed during the global downturn and the consequent unemployment crisis that followed major economic restructuring in the cities and rural areas (Keane 2001). The Conservative-Liberal Government (1985-1993) responded to
pressure from the local government organisations and trade unions for more local powers to tackle local unemployment. Local authorities were given legal powers to provide work-related training for unemployed people claiming social assistance. Furthermore, the local and county councils in the peripheral regions developed local economic and technology policies framed by EU structural fund programmes (Etherington 1995). These processes reflect an emerging spatial rescaling/restructuring of the Danish state both 'upwards' with increasing influence of EU policy agendas (which have become more prominent in the 1990s) and a 'downwards' or decentralised shift in the responsibilities for economic and social policies (Amin and Thomas 1996; Etherington 1998).

Fosgaard and Jørgensen (1996) describe these changes as part of a paradigm shift from a regional policy to a decentralised politics of the regions or a "new spatial order" directly influenced by European Union spatial and regional policies. There has been an "explosion" of politics, which have involved a shift away from being anchored in the representative institutions to new institutional settings, "whether it be various committees, semi private organisations (quangos), corporative bodies, etc. In a certain sense this development has meant an opening up of the political system, a drawing in of circles outside the political establishment and also to a certain extent making these new partners co-responsible for the societal situation." (Fosgaard and Jørgensen 1996:17). In effect, regional and urban development planning and industrial policy has been reshaped through the inclusion of more 'actors' and interests, particularly from the private sector around a state led 'growth politics' which reflects the increasing influence of neo liberalism on welfare agendas (see Andersen 2001). This has given rise to an increased role of the local Industrial Development Councils (erhvervsråd) and networked

202
partnerships as vehicles for managing and integrating industrial and employment policy (Jørgensen 2002).

The Liberal-Conservative government has retained the SILM strategy through its “Flere i Arbejdt” (more in work) (Regeringen 2001) promoting a more supply side and workfare agenda (Jensen, Rosholm and Larsen 2002). A new politics of inclusion is emerging around the labour market ‘integration’ of immigrants and refugees (Bredgaard, Jørgensen and Larsen 2002: 50, see Rosdhal and Weise 2000).

To sum up, the defining difference between the Danish and UK systems relates to the more integrated dimension where activation (i.e. vocational training and other leave schemes for the employed) is linked to leave schemes and job and vocational training for the unemployed has been implemented in Denmark. In addition, the Danish programmes involved substantially more resources as well as the central role of the public sector in the management of programmes. The third area of difference is the partnership arrangements, which have characterised the Danish programmes, and provide an important voice local government and the trade unions.

Contradictions and Conflicts of the Danish Welfare Strategy: Workfare Challenging the Nordic Model?
Workfare generating more social and spatial inequality

Three different approaches tend to challenge the view that supply side policies are significant factors in Denmark's employment boom of the 1990s. Furthermore these studies tend to support the view that activation and workfare whilst aimed at inclusion have generated opposite effects. Lind (1999) raises the questions of whether temporary employment schemes can ever be more than a "phase intervening between active periods or a path to dead end jobs?" (Lind 1999: 204). Lind argues that the private sector have used job training schemes to integrate the unemployed back into the labour market but they have recruited from the better qualified unemployed. Those on the temporary leave schemes relating to childcare and sabbatical are considered vulnerable in the labour market because of the lack of training element and possibilities for upskilling. Unemployed, people participating in the labour market schemes are actually vulnerable to being marginalised and there has been a tendency for this to increase during the early 1990s (Lind 1999: 211, c.f. Møller and Lind 2000:25).

There is also a gender dimension to this. The childcare schemes have been extremely popular, allowing paid leave for carers (the equivalent of unemployment benefit). However a disproportionate number of women have participated in this scheme (approximately 85% of participants) which suggests the sexual division of labour in care responsibilities in the home is replicated in the labour market (Loftager and Kongshøj Madsen 1997: 128-129). According to Lind's definition of labour market marginalisation, more women, as a result of the carrot of the childcare schemes for balancing family and work life are suffering the stick in terms of labour market disadvantage. Furthermore, the distribution of schemes tends to be biased towards the public sector, with the
negotiation of child care schemes more difficult in the private sector. This view is supported by Jensen who states that "the scheme for leave for child care has contributed to the marginalization of women in the labour market. This is due to the fact that many long term unemployed single mothers have taken leave for childcare thus reducing future possibilities of being fully integrated into the labour market (Jensen 2002:7).

The dominant discourse about dependency has particular impacts on minority ethnic populations in Denmark. A key election platform for the current government has been to focus on migration, immigration and integration in terms of placing greater restrictions on how many ‘foreigners’ should be allowed into the country. However, this was not the only issue – a key question posed by the political right is how could Danish society integrate minority ethnic populations within society generally – or more bluntly – within the labour market. Benefit ‘dependency’ was seen to be their sole preserve and special measures were adopted such as lowering the minimum wage, placing a ceiling on social benefits and special training programmes in order to ‘encourage’ minority ethnic populations to obtain work (Østergaard-Nielsen 2003:452 see also Craig 2002).

Bredgaard (2001: 37), like Lind, considers that classifications of unemployment are subject to critical enquiry, given that those on activation schemes are not counted as unemployed (see Bredgaard and Jørgensen 2000: 21). The focus on analysing activation and the extent of ‘hidden unemployment’ is similar to the discussion that has occurred in the UK (Chapter 5). Bredgaard considers that the falling rate of unemployment has been matched with an increase in the rate of ‘hidden’ unemployment simply because people on ‘temporary’ schemes are not counted in the official
unemployment statistics. The so called Danish economic miracle can be explained by the introduction:

of three (and un-miraculous) policy initiatives: (1) Expansive and sound fiscal policy which kick started a private consumption feast in 1993/94. (2) Combined with a reorientation of active labour market and social policy in the early 1990s, enhancing the job enthusiasm of the social partners in especially regional-policy making and implementation. (3) Reclassifications of unemployed: hidden unemployment is still considerable as persons in active labour market programmes are not calculated as registered unemployed. (Bredgaard 2002:9).

The number on long term social assistance (around 115,000) has persisted throughout the boom according to Bredgaard, including the number claiming sickness benefit. There are close parallels with social strategies for the unemployed mentioned in the chapter on the UK (Chapter 5) as “the problem of marginalisation seems a heritage of policy choices of the 1980s. During the recession of the 1980s, one of the favoured municipal options was to place unemployed social clients on passive pre-pension schemes” (Bredgaard 2001: 38).

The third study by Albrekt Larsen (2002) convincingly argues that the Danish employment ‘miracle’ can be attributed to basic conditions, which gave rise to a more rapid rate of capital accumulation (economic growth) which sustained labour demand. There are methodological problems in determining the precise impact of ALMP, but they are far more modest than often given credit by the Government (Abrecht Larsen 2002).
Urban and Regional Growth Strategies Create Labour Market Marginalisation

The operation of the RLMCs tends to be focused upon the labour market integration, whilst the other industrial development agencies and the County Councils are concerned with economic development issues (see below). The major growth strategies led by the state are playing an important part in both creating employment but within specific locations and at the expense of other locations in Denmark. Larsen (2000, see also Hansen 1999 and Andersen 2001) in his study of a disadvantaged working class area of Copenhagen suggests that workfare is contributing to spatial segregation because of the disempowering effects of activation (see below) which is in itself imposing political problems and challenges for the state in terms of its current neighbourhood renewal programme which is designed to manage the consequences of social exclusion (see also Etherington 2002). Andersen's study of Copenhagen (Andersen 2001) contends that the growth politics of the Øresund and Ørestad projects are having unintended polarising effects. Infrastructure investment and the resultant private house price hikes accompanying gentrification actually benefit certain higher income groups at the expense of lower wage earners who cannot afford higher rents and property prices (see also Andersen and Hansen 2001).

There is evidence that the globalisation processes and European integration through a more competitive rather than redistribuional politics is placing specific pressures on local labour markets and consequently policy responses. Andersen and Hansen's study of two towns – Nakskov and Kolding - suggest that there are quite large differences between the towns in relation to the structure of labour markets, the extent of
marginalisation and social inequality leading them to point out that… "Regional and Local politicians and officials have to face and take into consideration a whole series of problems and a specific (local) social context in the formulation of industrial, labour market and social integration policies (Andersen and Hansen 2001:41). In this respect entrepreneurial growth politics is creating new forms of geographical uneven development requiring specific local labour market and industrial policy instruments.

*Workfare and the Fiscal Crisis of the State*

The main feature of a fiscal crisis with respect to the Danish welfare state relates to the inherited massive growth in transfer incomes (over 30%) and in the National Debt during the 1980s (Hansen and Jensen Butler 1996). However, the early 1990s involved a kickstart of the economy as a result of reduced interest rates which led to lower housing costs. This sustained accumulation, employment and tax revenues. But this has had limits and barriers in the way the costs of activation combined with the persistent numbers on transfer incomes were adding to the fiscal problems of the state. There are two aspects to this:

- The rules relating to access to UI benefits have changed to such an extent that more and more people are moving into the social assistance system which means that local authorities are increasingly shouldering the burden of funding activation and benefits. This is reimbursed by the state by 50% of total outlay on social assistance and spending on activation programmes. Furthermore the increasing number of people on sickness benefits is also a financial burden in that local authorities have to cover 100% of costs and 65% of costs of disability pension.
Local authorities are beginning to face a financial crisis in terms of managing both benefits and labour market policies (Harsløf 2001).

- The actual costs of activation programmes has been substantial and this has been mitigated by the upswing in the economy and employment growth. This employment 'boom' has come to an end with unemployment rising, which is having the effect of the Government reviewing the overall programme and making it more simplified and targeted (European Industrial Relations Review 350, Madsen 2002).

Restructuring the Welfare State: Depoliticisation and 'Steering' Crises of Corporatism

The element of depoliticisation or blurring and removal of elements of accountability within the emergent system of governance needs to be located in the initial phases of the reforms. In 1994, decentralisation initially involved a highly politicised labour market regime because the LMCs were actually given substantial resources as well as power to decide priorities in the labour market programmes. This gave rise to the development of a highly mobilised and dynamic LMC and associated institutional structures which were charged with ensuring that the money was allocated to priority projects as determined by the social partners (see Larsen et al. 1996). This form of politicisation resulting in regional challenges to central government policy directives (which was embedded in the class politics of the regions) was swiftly responded to with the imposition of a tighter centralised policy regime because of the "fear of ungovernable regions which might undermine the countrywide policy considerations." (Larsen and Stamhus 2000:18). New sets of controls were established based on performance and targets. This paved the
way to a more functional regional administration of the labour market according to central dictats.

This does not mean that the LMCs have become less relevant and there is still reasonable scope to shape some form of regional labour market policy according to the specific circumstances of the region. Nevertheless, the new mechanisms of control have reduced the capacity of social groups within the regions to shape the labour market agenda in a way that was possible under the initial decentralised programme. It is this process of centralisation, which has contributed to depoliticisation.

The reforms involved the stimulation of regional corporatism particularly through the LMCs. How far this is a democratisation of labour market policy has been the subject of critical study (Hansen 2000, Hansen and Hansen 2000, Hansen 2001). Basically Charlotte Hansen’s arguments are that the social partners tend to nominate their own representatives which means that the debate about who is selected and under what conditions becomes restricted to a small circle. Interest articulation is limited and the lines of accountability are often blurred. Whilst superficially there is a great deal of ‘transparency’ in terms of the actions and agendas of the LMCs, the strive for consensus paradoxically tends to suppress real conflicts and differences between the social partners. A recent evaluation study of the operation of one LMC observes that “there seems to be a lack of a mechanism for thorough discussion and genuine agreement within RARs (LMCs DE) and there is a residual tension which is not addressed in a straight forward way between the different parties” (Keane and Corman 2001:359).
Because of their all-embracing and comprehensive nature, the reforms created severe 'steering' problems for the state (see Offe 1984). Initially the introduction of the career counselling and action plans led to severe workload pressures on the local authorities and Employment Service. The engagement of more 'actors' in labour market policy involved problems of coordination because of overlapping functions (Keane and Corman 2001) but also because of the more complex functional and territorial aspects of labour market policy. Regional interests had to be reconciled with local municipal interests. Many of the smaller local authorities could not fulfill their competencies so in some circumstances the larger municipalities managed labour market policies on behalf of groups of smaller local authorities. In many respects the steering crisis involved the polarisation of social interests within the state machinery. The striving for consensus was based on retaining control and legitimacy within the RLMC (in the face of increased central government surveillance) but the underlying problems of conflicts were always near the surface. The employers were concerned to plan the labour market in order to remove potential 'bottlenecks' and get as many unemployed as they needed into work. The trade unions, whilst sharing these goals to a certain extent also had a more primary focus on skills development and making sure that activation was converted into more sustainable employment. In this context the unions were the primary initiators of job rotation programmes within the labour market planning process. The local authorities, through their Corporate Social Responsibility Campaigns were keen to see the private sector more committed to guaranteeing job placements for those disengaged in the labour market (see Keane and Corman 2001:361-363).
Overall, state restructuring within the sphere of managing the labour market has been increasingly problematic:

but at the same time the experiences also contain several examples of how special features regarding labour market policy processes can create implementation problems and still implementation problems continue to grow, which means that a movement away from the original intentions behind policy has already begun. This is due to problems finding the right balance in the relations of competence between central and regional levels, problems legitimating the policy's "need-orientated" results, insufficient regional policy formation capacity, lack of co-ordination in network co-operation at the regional level, conversion problems in the state AF system as far as working in a subjective, assessing fashion, and finally, general resource problems at the operational level due to the costly need orientation.... (and the authors conclude)....There is much evidence that the new active Danish labour market policy contains elements to be imitated, thereby ultimately work against the success of an active labour market policy (Larsen and Stamhus 2000:: 21).

It is important to emphasise that these problems of steering and co-ordination stem from the contested nature of governance and the social struggle around the labour market policy, which is the subject of analysis in the next section.

The Political Struggle Against Encroaching Workfare?

The key question is how far the new government's labour market programme has maintained stability and whether the political struggle against an increasingly 'workfare' influence is fracturing the corporatist forms of decision making. Furthermore, to what extent is the Danish labour movement accepting the notion that supply side policies are key to tackling unemployment?
One way of addressing these questions is to examine the forms of political struggle and their associated discourses. Møller (1999), in his analysis of the role of the key interests and political forces in shaping the reforms in the early 1990s, identifies three main discourses. One is from the liberal wing of the ruling classes that are committed to a more rationalised and privatised welfare state and attack the ‘culture of benefit dependency.’ This is highly influential in the current government agenda, borne out by the imposition of a tax stop, cuts in social assistance and restrictions in access and priorities in vocational training, and the opening up of the provision of employment services to the private sector. Significantly, the imposition of new legislation on part time workers contracts without consultation with the LO (and in spite of its opposition) is a major break from the tradition of consultation between the ‘social partners’ about major reforms. This signifies a more adversarial industrial relations strategy by Denmark’s ruling elites (see Gill et al. 1998).

The second discourse is that of the Social Democrats and leadership of the Danish LO who are themselves in crisis as a result of the election defeat in 2001. The shift to the political right by both the party and sections of the labour movement in their support for more conservative welfare reforms has been a source of tension within the labour movement. The LO (or sections of it) argue that the future strategy towards welfare and the labour market lies with a productivist orientation or ‘development work’ whereby a ‘work policy is developed to tackle problems and inequalities in the labour market. The orientation of labour market policy should be towards the enterprise (and the labour process), they argue, where social responsibility and inclusion are also key elements (Hvid 1999:45). The new conservative government inherited a tougher welfare/activation
regime, which only served to create more tensions within the labour movement (see Jørgensen 2002: 187-188).

The third key 'discourse' utilised by the trade unions, rank and file of the labour movement and social movements, in particular the womens' movement, is the social solidaristic discourse which has pursued work sharing and changing the balance between work and family life (Compton and Madsen 2001; Møller 1999: 172-180). Individual unions such as Special Arbejder I Danmark (SID), a large union representing unskilled workers has consistently opposed the element of compulsion, and called for a more public sector role in delivering training (SID 1995 see also the response by the Nursery Workers Union PMF 1999). The public sector unions in particular have been suspicious about these special employment schemes, particularly job training, because of the potential substitute effects of their introduction (Bredgaard 2001). What is significant is that the solidaristic discourse emanates from women's mobilisation within the labour movement organisations and trade unions because of continued pay inequality between men and women, inequalities in access to training and the further threats of cuts in social expenditure on the family (Siim 2000). Within this discourse is the increasing role of unemployed movements which are acting independently of other political parties and the trade unions. In some Municipalities the unemployed are challenging the way activation is implemented. Ankers study of the unemployed movement reveals;

In many interviews activists seek to explain that activation leads to the formation of a third labour market with workers in second – hand positions, working under conditions which would never be allowed by the trade unions in the ordinary labour market. This, it is argued, additionally ruins the ordinary labour market,
because ordinary labour is substituted by social assistance recipients.....In the interviews in networks and associations, activists tell their own stories about activation. They argue that they are being blamed for being out of work and that this is part of a political strategy of the political parties to favour that part of the population who are actively employed. Activists feel that they are being turned into scapegoats in contemporary politics as a consequence of the increased emphasis upon activation measures (Anker 2002:22).

Whilst numerically small (nationwide there are 500 members) the movement has established on a national basis with links with some of the trade unions. The organisation scored some successes in bringing some lawsuits to the court around the legality of some of the activation schemes, which has generated considerable publicity (Anker 2002: 18). What Anker's study reveals is that the role of personal agency is of importance in terms of the way the unemployed through individual strategies of resistance and contention will act together and formulate collective strategies.

It is also important to understand the local government system in terms of interest articulation and political struggle. There are several aspects to this. First, there is a highly developed system of service user groups, which act as 'watch dogs' in relation to how services are delivered. Second, the public sector trade unions politically lean to the left and are organised to resist reforms that will undermine the collective and social solidarity principles of welfare provision (Scheur 1998). Third, the local government organisations (such as the Kommunernes Landsforening (KL) – National Association of Local Government) are represented in the corporatist networks and act as important pressure groups around local government issues (Etherington 1997). Gender dimensions of welfare provision also need to be considered. Women have individual status in terms of eligibility to benefits, and through comprehensive childcare provision, have structured access to the labour market. There is also an active women's
movement, closely connected to the Danish labour movement, which possesses a powerful voice in shaping welfare debates. This movement has played a significant role in defending the social and universal rights commonly associated with the Danish welfare settlement (Siim 1998).

The new orientation towards local government as a key actor in welfare and activation via the SILM will lead to new political dynamics and actors in policy making. The local coordinating committees are not regulated in the same way as the LMCs and there are possibilities for new forms of collaboration between different social groups (Andersen and Torfing 2002). The trade unions in particular, have been keen to forge links with the unemployed claiming social assistance where traditionally the unions have had little contact and mobilisation (LO 2001).

It is important to emphasise here that whilst the labour movement has been to a great extent 'incorporated' into the welfare reform and activation strategy, at the same time 'demand' side issues have also been at the forefront of political struggle and social solidarity discourse. An example of this is the continued campaign and focus upon job rotation as a labour market instrument. Job-rotation, as conceived by the labour movement organisations, relates to work sharing with unemployed persons given direct job training experience and releasing unskilled workers to update their training and education. The unemployed receive work experience at trade union negotiated rates, as well as additional vocational training, both geared to the needs of the employer and employee. The employed obtain additional vocational training and the firm (or public sector organisation) benefits through an upskilled workforce without loss in employment (EUJobrotation 1996; Etherington 1997a). During the early 1990s job rotation was
widely used, but with the reduction of the leave schemes and a more selective approach to vocational training, the numbers of participants have declined considerably (see Compston and Madsen 2002). This is still a terrain of struggle by the trade unions and large sections of the training institutions who have witnessed quite significant success rates in the unemployed obtaining full time employment (Etherington and Jones 2004).

For Denmark, the balance of social forces via a strong trade union movement has to some extent maintained (until now) the redistributive dimensions to welfare (Etherington 1998). The form of tripartite corporatism has guaranteed some political and negotiation space for labour in order to develop an inclusive labour movement influence on activation programmes. The trade union leadership at the early stages of the welfare reforms successfully bargained for maintenance of relatively high level of benefits and spending on training as a trade off for the inclusion of compulsion in the activation programmes. The late 1990s witnessed a move to the right within the ruling SDP coalition and some of those programmes which labour had particularly fought for such as the leave schemes, job rotation and broad based vocational training had been rationalised. The wider agenda of the former SDP government commitment to privatisation and a u turn on promises not to further restrict early retirement may be the key causes for the election defeat in 2001 (Jørgensen 2002). The close relationship with the SDP leadership and the constraints imposed on the unions by its commitment to corporatism has been a barrier to developing an independent critical voice (see Hansen L.L. 2000). There are other additional internal political dynamics, which also underpin weaknesses of social mobilisation of the Danish labour movement. For example diversity of interest representation for gender and ethnicity has not been an agenda priority by labour within the corporatist institutions, in particular the labour market
councils reflecting a lack of politics of diversity within the TUC itself (Hansen L.L 2000). This has important implications for agenda setting with respect to gender and ethnic inequalities in the labour market. It also explains how the leave schemes, whilst opening up possibilities for generating a more 'progressive' form of activation through job rotation, at the same time, served only to reinforce gender segregation and dominant discourses of women's role within the household as carer. In fact their dominant use by women in and outside the labour market was not seriously contested by the trade unions (Jensen 2001, Siim 2000).

The politics of 'rescaling' of the Danish state are presenting challenges, threats and opportunities to the Danish labour movement. The hollowing out process identified by Jessop is giving rise to an increasingly centralised/decentralised governance. Decisions are being made outside and without reference to corporatist institutions. Alongside the clear anti union stance of the new conservative - liberal government (exemplified by the imposition without consultation of legislation on part time employment) means that the unions are becoming increasingly marginalised in terms of their role in policy making. On the other hand, trade union involvement through the local coordinating committees enables the labour movement to exert some form of influence on policy agendas.

There are signs that the Danish TUC is devising their 'coping strategies' to deal with new political events. It is distancing itself from the Social Democratic Party in a formal way in terms of financial and political links. Interestingly, the proliferation of unions, and with more than one union federation is giving rise to talks on the merger of unions and the creation of one federation support (European Industrial Relations Review 2002a).
There is certainly active opposition from the Danish TUC to the Government’s austerity agenda, and at the local level, cuts enforced as a result of the ‘tax stop’ are being resisted. The unskilled workers union (SID), traditionally a voice of the left in the union movement, is continually challenging malpractices in the use of activation schemes where the unemployed are given ‘normal’ work under different conditions to that negotiated under collective agreements. As the cuts fall on the public sector (with consequences on employment) the scrutiny on public employment programmes is likely to intensify (see European Industrial Relations Review 2002b). The Danish unions retain some political space for bargaining and negotiation within the institutions, but more importantly, still possess an infrastructure because of Denmark’s relatively high union densities, and the ability of the Unemployed Insurance Trusts and Workers Educational Association to shape political agendas.

Conclusions

The policy shifts, which have emerged during the late 1990s, are about a more rationalised model of managing the labour market and reserve army of labour. Power and influence on labour market and social agendas has shifted from the RLMC towards a further decentralised labour market policy within cities, and towards the County Councils in charge of the formulation of industrial policy (Hansen and Abbas 2003). This policy shift and spatial rescaling is accompanied by the emergence of new actors in the policy and political process including the non government organisations as well institutions engaged with industrial development policies. The consequence is the emergence of new forms of corporatism which operate in tandem with the more
formalised regional partnerships. A new political dynamic could emerge whereby the local authorities will have more influence on agendas. This will create challenges to the labour movement with regard two issues: the persistent reproduction of social inequalities within the labour market policy and the need to engage and recruit people claiming social assistance. Both raise the question of how this ‘localisation’ of policy will stimulate moves towards greater privatization and outsourcing. There is another wider issue and that is how this process will shape the merging of the two systems of benefits, seen as a priority for the new government.

The key challenge to the Danish system and its source of instability is the operation of the labour market. Studies cited above point to the fact that active labour market policies have little effect on creating new jobs and are mechanisms for making the labour market more efficient. This means that employers are concentrating on recruiting people who can meet the productivity requirements of profit maximisation. Therein lies the paradox. Whilst there is an emphasis of integration the most marginalised in the labour market, this is occurring at a time or phase in capital accumulation when these are the first people to be made redundant despite campaigns and financial inducements. The other related contradiction is that the SILM does not operate to combat discriminatory practices. Whilst there are obligations on the unemployed to accept job training offers, there does not seem to be any obligation on employers to remove discriminations which make the labour market inherently unequal (see Larsen 2002). The contradiction in the “More in Work” slogan of the new government is to be seen – particularly at a time when the ‘employment boom’ has peaked and the trend towards more people receiving income transfers (i.e. the expansion of the reserve army) is increasing.

220
Within the political arena there are increasing tensions within the labour and social movements. Although the power dynamics are increasingly being focused around a more neo liberal and business friendly environment, new social forces could be emerging such as the Unemployment in Denmark grouping and through some of the rank and file currents within the industrial and public sector unions.
CHAPTER 8

PRODUCING NEW WELFARE SPACES IN AALBORG: CONTESTING OR THE BREAK UP OF THE SOCIAL DEMOCRATIC CONSENSUS?

Introduction: Politics, Economy and Class Relations

Aalborg is a 'working class city' whose former 'traditional' industrial base comprised shipyards; port and port related services, metal, furniture, tobacco manufacture and the production of building material and agricultural products. A large unskilled labour force with a history of mobilisation and struggle created an active trade union and labour movement and a Social Democratic Party (SDP) which has been in power in the city council since the early 1920s. Social and political institutions within the city have reflected the Danish character of corporatism within which the trade unions played an important role in local welfare and economic policies. According to Bender et al in their account of the development of Aalborg's labour movement, these types of redistributive policies have reflected a philosophy of "each according to their abilities each according to their needs" (Bender et al 1998:268). Whilst the long dominance of the SDP in the city council has been a significant element of the city's political culture, a brand of 'paternalist' politics has existed within which power has been centralised in the City Council and ruling SDP (Flyvberg 1998).

The geography of accumulation and the associated restructuring of Aalborg's industrial base since the 1970s have played a crucial role in social and political changes. Closures and employment loss in the traditional industries has been accompanied by expansion of employment in services, the public sector and incoming-manufacturing firms
producing mobile phones, electronics and telecommunications. The city has attracted in migration of labour from the agricultural areas of North Jutland, where this sector has in itself undergone major transformations. The new expanding manufacturing industries have tended to employ women and unskilled labour. These changes, beginning in the 1970s, have generated a different political culture to that emerging in the 1990s. The traditional industrial unions are still influential, but not as much, the labour force is more segmented and the dynamics of collective politics have shifted towards more individualist autonomous work relations (cf. Siim 2000). There has been an expansion of employment in service and knowledge industrial sectors work where a certain element of collective agreements is left to local or individual negotiation. Together, these developments have led to a loosening of electoral support and ties with the SDP, which currently manages a minority administration within the city council (cf. Christensen 1994).

In addition to a shifting politics of class there is also an identifiable politics of place in Aalborg. The city and region have borne the brunt of global and national economic changes giving rise to a popular discourse which suggests that the key problem of the North Jutland economy is its over reliance on ‘traditional industries.’ The challenge, according to this discourse, is to diversify its economic base to accommodate inward investment in new technology to compensate for declining demand for labour in the traditional industries (cf. Aalborg Erhvervsrad n.d.). There has been some equalisation in regional employment growth and rates of unemployment in Denmark since the 1980s (Illeris 1992). Indicators of ‘reindustrialisation’ include population growth - nearly 5,000 between 1993 and 2002 Aalborg Kommune (2002a) - and growth in employment of around 5, 500 between 1996 and 1999 (Aalborg Erhvervs Råd 2002) The level of
employment has increased slightly and the unemployment rate decreased from about 17 percent in 1993 to 7 percent in 2001 (Aalborg Kommune 2002a).

This 'equalisation' may mask more fundamental processes of inequality between cities and regions. Danish economic geographers (Jensen Butler 1992 and Winter 2001) argue that urban and regional inequality is associated with a spatial division of labour of production. In the period since the 1970s, labour processes have been undergoing changes through which new technology can be used to routinise production. An increase in technological input does not automatically involve a commensurate demand for skilled labour. This does not mean that skilled labour in local labour markets has not been required, but demand has been selective to specific sectors relating to scientific, knowledge and business services. The peripheral regions of Denmark have received inward investment but of a particular character which has tended to reinforce their role as specialising in certain types of industries and routinised production (Jensen Butler 1992).

Similarly, Winter argues that firms undertake strategies specific to different regions (associated with specific cultural, social, political and regulation relations) which underpin path dependency in the Danish space economy. Manufacturing restructuring in Greater Copenhagen has tended to involve a decline in traditional sectors (in terms of employment) and a growth in those industries which are the 'engines' of economic growth in Denmark such as business services, specialised equipment for the health sector. Capital has exploited available surplus populations in the peripheral regions as part of its spatial organisation of production. Whilst this has involved employment growth, and inward investment the different income effects between core and peripheral
regions are marked (see also Hansen and Jensen Butler 1996). This problem of uneven spatial development and division of labour is compounded by the dynamics of globalisation which has also impacted on industrial change in the region. There is a decline in demand for unskilled workers which can be attributed to the outward movement of processing and routine production to cheaper locations in Eastern Europe or Asia – and this is seen as a threat to the regional economy (Nordjylland Amt 2001).

This is the backcloth to this chapter on labour market politics in Aalborg. The next section will trace the development of labour market policy prior to, and after the 1994 reforms. This section is mainly concerned with the specific activation programmes that have evolved during the 1980s and from the 1994 reforms. This section is followed by an analysis of commensurate changes to the geographies of labour market governance. The third section focuses on the contradictions and problems in local labour market policy. The final section analyses the politics and struggles which underpin some of the central tensions and contradictions within the local labour market.

**Labour Market Policy and Strategies in Aalborg: Towards Increasing Workfare?**

It is possible to identify three ‘phases’ in the evolution of labour market strategies since the 1994 reforms. The first phase involved an extensive and comprehensive programme of initiatives for the employed and unemployed implemented at the regional level. The second phase shifted emphasis to the unemployed claiming social assistance. The third and current phase involves a more intensive regime relating to activating social assistance claimants as well as a greater emphasis upon integrating labour market and industrial policies (see Chapter 7).
The Initial Phase: Activation and Local Regeneration

Prior to the 1993 reforms local authorities had powers to ‘activate’ the unemployed, which were used by Aalborg City Council given that unemployment was increasingly dramatically during the 1980s. The 1980s Conservative Liberal Coalition Government encouraged a more interventionist politics and the free local government initiative became a catalyst for stimulating an industrial policy for the region. The Free Local Government Initiative allowed (selected) local and county councils to experiment with new policies, procedures and management/organisational models. With respect to North Jutland, the County Council was given powers to provide financial assistance for economic and business development, which provided the catalyst for the Regional Development Programmes (co funded by the European Structural Funds) NORDTEK (see Jensen Butler 1992, Etherington 1993).

Hudson’s analysis of regional change in the UK during the 1960s has parallels with regional politics in North Jutland. The North East of England was the focus of modernisation policies of the 1960s Labour government, where the state became heavily involved with regional economic restructuring. A consensus around these politics was built around ‘modernisation’ as a discourse in terms of causes of problems and their required solutions. What is important here is that it is deemed the ‘only’ solution and option on offer so excluding other political options (Hudson 2000:47). In the case of Denmark although the labour market reforms represented a significant break from the traditional welfare settlement with the role of benefits performing the function of social protection, there is no doubt that the state was able to mobilise sufficient support for the dominant ‘activation’ discourse. The term ‘activation’ (aktivering) is of similar meaning to
employability whereby it refers to an orientation towards work as a key element of social integration. It replaces the role of benefits as being 'passive' (passiv) or having no use to anyone. Whilst this is generally used in an EU context it is also widely employed in Danish labour market policy discourse. As indicated earlier, this notion has not been uncontested, but within the main partners in North Jutland (and significantly within the labour movement) it has been accepted as an inevitable and essential ingredient of welfare modernisation. Thus, in the North Jutland RLMC Plan, the role is clearly stated as follows:

Activation measures should be implemented in a way so that as many as possible qualify for work in branches with job vacancies. It is essential though that educational measures in connection with activation, job rotation and skill shortages should be tightened with respect to the type, price and duration of education. Activation and servicing workplaces should be seen as two elements in the efforts to secure a balance in labour market so that companies can obtain the labour power they require. Qualifying the unemployed shall be implemented in relation to current and future trends in employment demand. (Arbejdsmarked Råd Nordjylland 1997:3).

As a Senior Officer from the Employment Services commented, the labour market reforms were seen by regional actors as a vehicle to regenerate regional and local economies and thus offered an opportunity for developing more competitive spaces in the face of a more intensified global economy (Interview November 2003).

The crucial difference between the implementation of labour market policies in Aalborg and Sheffield is the key role of policy planning within the formulation of a regional/urban labour market strategy. In Aalborg, this primarily relates to the nature of decentralisation and role of social partners in decision making. In Sheffield, the introduction of the NDU was in absence of any framework for employment planning and strategy formulation at
the local level. This will be explored in more detail below. Figure 5 shows the main institutions involved with labour market policy.

Figure 4 National, Regional and Local Labour Market Institutions

Source: Adapted from Hansen (2000:131)
The Second Phase: Aalborg's Social Inclusive Labour Market (SILM) Strategy

The activation terminology was supplemented in the late 1990s with another term ‘marginalisation’ and social inclusive labour market policy as a discourse to support an orientation in policy towards the unemployed claiming social assistance (see below). It is important to emphasise here that this acceptance of activation had boundaries within all the main partners. In other words, the various ‘actors’ in the labour market policy carried their own discourses about what the welfare and labour market reforms should achieve as emphasised in the previous chapter and so ‘consensus’ is never necessarily achieved without conflict – something to be explored in more detail later.

Jørgensen emphasises (along with other commentators see Andersen 2001) that a tougher regime has arisen with many elements of the original reforms being replaced by a more targeted strategy. One of the reasons for this tougher ‘regime’ is, that despite the economic boom, there is a still persistently high rate of unemployment –or put in another way, relatively large numbers claiming social assistance. This was evident in the reforms implemented by the former Social Democratic Government and by the Conservative Liberal Government. The shift in both discourse and strategy is towards social integration and inclusion (Social Inclusive Labour Market – SILM) which targets those on social assistance in terms of ensuring that they are moved rapidly out of the social assistance system. One reason for this targeting is that according to a senior officer responsible for labour market policy in Aalborg City Council “the amount of expenditures devoted to social assistance has been increasing and this is a financial problem for the local authority. At the same time, those claimants tend to have social problems and something needs to be done so that they can be activated and given
opportunities in the labour market.” (Interview with Senior Officer, Aalborg City Council 2002). A two pronged strategy by the government involved extending the role of the local authority in either providing its own job training or subsidising job training in the private sector. The second element involves establishing a committee to manage the SILM.

It is possible to argue that Aalborg City Council has been at the ‘cutting edge’ of the SILM primarily due to its history of having a proactive involvement in labour market policy. A labour market department was established soon after the 1994 reforms, which oversees the co-ordination and management of activation measures (see Figure 6). The local authority established organisational processes which facilitated close working between the social and labour market departments primarily because many of those claiming social assistance and have either dropped out or never been in the Unemployment Insurance system are more vulnerable to labour market marginalisation and exclusion.

The 1998 reforms emphasised an important role for local authorities in terms of activation for the unemployed claiming social assistance. These reforms were accompanied by a major national government led initiative around a ‘social inclusion labour market programme’ (SILM) (Rummeligt arbejdsmarkedspolitik) which placed greater emphasis on social institutions to integrate marginalised groups into the labour market. Aalborg’s response was to establish a special social inclusion labour market coordinating committee, which was allocated responsibilities to establish partnership arrangements with employers’ organisations and the trade unions. The role of the committee is to allocate places in public and private sectors, guaranteeing employment
protection for those on employment and training programmes and formulate policies relevant to local labour market conditions (Aalborg Kommune 2000). The local authority produced a strategy for the SILM in February 2002 (Aalborg Kommune 2002b) which marks a significant and decisive break in its policies towards unemployed claiming social assistance. The strategy is formulated under the legal framework of the Social Policy Act, which requires local authorities (the municipalities) to establish local coordinating committees (Koordinationsudvalget). Aalborg established such a committee in 2000 and the strategy is an outcome of work involving the various social partners namely the Landsorganisation (LO, Aalborg TUC), Danskarbejdsgiver (DA, Aalborg Employer Association – Danish equivalent of the Confederation of British Industry) local authority and officers from the health service.

The context and impetus for the strategy can be located in an experimental project in relation to trying to steer those on long term sickness benefit in the direction of the labour market. The project attempted to analyse why people were on long term sickness and what sort of strategies could be deployed in order that they could resume a normal working life. There is a growing number claiming sickness benefit on a long-term basis which is both a social and financial problem.

The other reason is that those people who have difficulties in securing work on a long term basis tend to claim social assistance (young people who have had no experience of work and just entering the labour market and the long term unemployed who have left the Unemployed Insurance system). The number on social assistance administered by the local authority remains constant and the Coordinating Committee’s remit is to reduce
the numbers by placing them with local firms. In 2001, an experimental campaign succeeded in obtaining employment for 200 people on social assistance.

There is an underpinning philosophy that "work is for the most an important part of self esteem and through work one is able to contribute to society." The Strategy Document also boldly states:

In the wider perspective it means a closer relationship and team working between the local authority and the city's businesses and an expansion of the labour market as a way of reducing social expenditure which will be to the benefit of citizens and local businesses. The inclusive labour market policy from a long term perspective is a basis for the improvement of society to the benefit of all. The inclusive labour market is not new and there is good experience between the labour movement and business organisations in this field. Nevertheless, there is a need for a strong joint working and respect for each others strengths and responsibilities in society. Only through a joint effort can the above values and principles be put into practice (Aalborg Kommune 2002b: 7).

The strategy involves a number of elements. One includes the promotion of corporate social responsibility encouraging the private sector to establish job-training programmes and provide work opportunities for those claiming social assistance. There is an emphasis upon the involvement of the private sector in the future employment of those people on social assistance. The local authority is involved with creating increasing awareness about the variety of schemes that the authority administers which could be adopted by the private sector. The aim is to build some experience for people on the margins of the labour market where they become familiar with the world of work and the working environment. In conjunction with the social partners the local authority promotes the adoption of a health policy in the workplace as part of a preventative campaign in order to deal with health problems which act as barriers to employment.
The Co-ordinating Committee has established a special project to investigate particular issues. Research undertaken by the local authority revealed that businesses were not aware of health related problems in the workplace and in many cases lacked the processes and procedures for dealing with people on long term sickness.

Under this objective, the local authority is undertaking a campaign including organising meetings where information can be disseminated on regulations and legal obligations which can be used as a basis for improving procedures and policies at work. This is therefore quite a comprehensive and concerted attempt to reduce the numbers claiming sickness benefits.

This has led to a problem of encouraging those who are due for early retirement to remain in the labour market. A ‘Flexi’ jobs system has been established as an alternative to early retirement for people who want to remain in work. Protected jobs will be used in order for people with special needs given the opportunity to work. The target is to increase the number of flexi jobs in the private sector. Meanwhile the local authority has been considering some form of contract compliance in the use of social clauses in local authority contracts. The local authority can use in its contracts clauses which require employers to provide preventative measures in relation to work related sickness. Furthermore, the local authority as an employer has scope for influencing the labour market directly.
Fig. 5 Management and Organisation Structure of Social Inclusion Strategy and Local Authority Labour Market Functions

Aalborg City Coordination Committee (Social Partners) plus health service

Aalborg City Council Social and Community Committee

Labour Market Department

- Secretariat
- Project Department
- Job Service
- Local Employment Offices

Source: Author
The local authority employs around 31% of those in employment in Aalborg. Within the inclusive labour market strategy the use of its personnel policies is important.

Aalborg City Council personnel policy is built around a principle that inclusion involves respect for diversity including gender, ethnicity, disability and age. As well as social responsibility being written into personnel policies and practice, the Social and Health and Elderly and Disability Departments have approved a health and safety at work policy, whilst the Mayor’s Office is at work with the formulation of an equivalent policy (Aalborg Kommune 2002b).

Additionally Aalborg City Council has established new systems for ‘managing’ the unemployed. The particular system adopted by Aalborg City Council goes beyond the legal frameworks of the Act imposing more disciplining sanctions. This means that there is a maximum period of 2 weeks on social assistance before a claimant is offered an option of re-entry into the labour market. Refusal would mean a loss of benefit.

The model adopted by the City Council takes account of the different social circumstances of the claimants or in terms of the previous categorization of the industrial reserve army (see Chapter 2) as relating to the relative ‘distance’ of surplus populations to the labour market (Aalborg Kommune 2002c). The Aalborg ‘model’ indicates the importance of the way particular groups have been socially constructed as ‘problems,’ rather than having problems. There are clear parallels here with the underclass debate about the underlying causes of unemployment and poverty.

Social Assistant claimants are categorised as follows:

(1) Those with work capacities and who want to work. These claimants enter the system as normal in that they will be referred to the Employment Office where they are registered and will seek work. If work offers are not forthcoming, they will be offered
activation or educational programmes. Activation could mean job training in either the private or public sectors – the private sector is the first target and the public sector steps in if a placement cannot be found. This relates closely to the campaign around corporate social responsibility for placing social assistant claimants in the private sector. The job training involves a public subsidy.

(2) Those who do not have work capacities and still want to work. The claimant receives more intensive counselling by the social worker in the local office because there will be social issue to be tackled (family, health, alcoholism etc) which require some form of support, guidance and treatment. A personal development and counselling programme is drawn up and the claimant is placed in local authority work undertaking simple work tasks in an environment where there is relevant support. Alternatively, the claimant may not have specific social problems, but due to long term unemployment, for example, will require some form intermediate employment in order to prepare for the labour market. The local authority has established a number of projects such as working in the canteen, cleaning, environmental works, and hospital work.

(3) Those with work capacities but who do not want to work. This category relates to offering work employment schemes in the local authority as a way of stimulating an interest in moving into paid work.

(4) Those who do not have work capacities and who do not want to work. Claimants who are not motivated to enter the labour market but have social problems are offered ‘social activation’ schemes where they are placed into various work programmes and where there is relevant support as a method of stimulating adapting to the labour market.
The Third Phase: Revitalizing Entrepreneurialism, Competitive Spaces and Labour Market Policy Integration?

The Regional Technology programmes described above have become more important in terms of policy focus. Since the late 1990s the social partners have attempted to link labour market policy to industrial policy which is developed via the European Regional Development Programmes. In an interview the Head of Industrial Policy for North Jutland County Council indicated that there has been a refocusing on demand side issues and investment in infrastructure for restructuring the local economy. The vehicle for this is through the Objective 2 EU Programme, which provides the framework for ERDF and ESF funding (Interview December 2002).

Labour market policy is becoming more closely linked to industrial development and in particular the emphasis upon attracting new technology and knowledge based industries. There are interesting parallels here with the Sheffield growth strategies as the North Jutland County Council and Development Fund has identified ‘industrial clusters’ for priority investment. Labour market policy has been re termed ‘Human Resource’ strategies. An interesting aspect of this development is the role of the trade unions. The Aalborg TUC has seconded a worker to the Aalborg Industrial Council in order to support initiatives which promote new investment and networks between businesses (Interview with Chair of Aalborg TUC, November 2002).
Rescaling of Local Economic Governance in Aalborg: Between Fragmentation and Policy Integration

A rescaling of economic and labour market governance has accompanied the three phases of policy development described in the previous section. This section will analyse this process of re-territorialisation of labour market governance highlighting the following: First, this process is represented in moves towards the increase in power of regional actors and institutions following the reforms, second, a downward rescaling towards local government and third, a further reterritorialisation around regional and urban partnerships.

The Initial Phase: Consolidating Corporatism, Centralisation and Regional Economic Governance in Aalborg

The reforms significantly ‘ politicised’ the role of the labour market partners. The main ‘ actors’ and partners include the Regional Labour Market Council (LMC), local government, the trade unions and the various vocational training institutions such as the Arbejdsmarked Uddannelser (AMU), - Vocational Training Centre, Voksende Uddanelser Center (VUC) - Adult Education Centre and the Arbejdsmarked Oplysning Forbund (AOF) – Workers Education Association. Last but not least was the enhanced role of the employers at the regional level in planning labour market policy. As the government regulated interest representation this had in fact a mobilising stimulus on the various partners in terms of their own internal organisations and resources. With there being a requirement for 7 representatives of the employers, local government and trade unions on the LMC board, who were given the task of planning and delivering the
regional labour market policy with significant budgets, then the incentive to reach a consensus was great. Not to do so jeopardised the discretion and relative autonomy given to the councils.

The first 2 years could be described as the ‘golden age’ of the reforms for two reasons. Decentralisation, for a very short time actually meant an increase in local discretion. For North Jutland, the RLMC was in charge with considerable budgets (see Chapter 6) and there was a determination to carve out a specific regional agenda in labour market policy (Larsen et al 1996a). The second aspect involved a variety of schemes, which were on offer for both the employed, and unemployed which gave rise to possibilities for innovations such as developing job rotation. Evaluation research on regional labour market policy in selected areas of Denmark recognised the significant geographical, social and cultural factors, which shaped different organisational and political dynamics at the regional level (Larsen et al 1996b). In an interview, one of the report’s authors points to the ‘Skipper Klemen’ mentality of the key actors in the labour market policy which underscored much of the style of decision making on the LMC. Skipper Klemen was a leader of a nationalist break away movement during the 16th century, which sought independence from the rest of Denmark for North Jutland. Thus the history of competition and rivalry with Copenhagen is intense. Many decisions were made under the influence of ‘outdoing’ Copenhagen. In the evaluation report, there is reference to a centralisation of power within the RLMC which has possible implications for accountability in decision making (Larsen et al 1996b: 306, Hansen 2000).
The relative autonomy of the regional governance of labour market policy was short lived and as one former member of the LMC board states,

It didn’t take long for the Government to see that there were dangers in losing control of a very complicated and far reaching reforming programme. There were consequences for both the corporatist institutions including the newly formed labour market councils at the regional level, but how this could all be managed and steered at the central level was a headache for the Government. From what seemed at first at least a radical initiative of genuine decentralisation was soon to become a turn around and increasing centralisation. (Interview with ex member of North Jutland RLMC 2002)

Significantly, the process of decision making became centralist between the region and central government as well as within the region. The institutional dynamics within the region changed as a consequence of this. In particular relations between the Employment Service, charged with the task of ‘steering’ the LMC, and the LMC which had acquired considerable powers and authority and started to evolve its own agendas which were not necessarily in harmony with those pursued by the Employment Service. One Senior Officer in the Employment Service has observed that tensions between the Employment Service and LMC arose because of this even although there has been a tradition of positive collaboration in the development of the reforms in the region (Interview with Officer of North Jutland Employment Service, 2002).

Further Decentralisation and the Shift to Municipalisation of Activation

As the 1998 Social Policy Act stipulates the establishment of local coordinating committees, it does not regulate the membership as in the LMC. It sets out a framework for membership, which recommends representatives from the social partners, private employers, local authority, trade unions, health and handicapped organisations. In Aalborg, the Committee is chaired and run by the city council, which provides the
impetus in terms of developing the strategic framework for the SILM. The local authority has established a more decentralised system of handling social assistant claimants through local area offices. All claimants must attend a counselling interview undertaken by a social worker at a local area office.

The SILM and the co-ordinating committees led to the establishment of two parallel labour market systems in organisational terms. One is for the insured unemployed, managed by the Employment Service in connection with the insured unemployed through the LMC, the other is for the uninsured through the local council and the co-ordinating committees. However, these systems interact as the Employment Service will refer insured unemployed to the local authority for job training and those uninsured will use the Employment Service for seeking work in the labour market. This has made the overall system more complex by bringing in more ‘actors’ into the policy arena. The RLMC has responded by establishing a sub committee and also local groups engaged with formulating ‘good practice’ in guidance and advisory services for the unemployed. This is recently formed in response to the new policy of making guidance for the unemployed more uniform as well as the recent emphasis upon more intensive counselling of those on the margins of the labour market (see www.amr14.af.dk).

Andersen and Torfing (2001) argue that the co-ordinating committees provide possibilities for new forms of governance and a possible antidote to the traditional tripartism which has dominated labour market politics in Denmark. The SILM opens up labour market policies to involve more ‘actors’, as social workers are responsible for advising and counseling claimants. Aalborg City Council SILM has brought social and health service policy in closer contact with labour market activation. It is unclear how the
voluntary sector will be involved in terms of its interest representation within the Coordinating Committee. There is a vibrant voluntary sector in Aalborg (Maack 2001). There are some indications that new forms of collaborations are emerging, particularly from the TUC (see below), and through the committee model, the local authority has developed closer working with the private sector (Aalborg Kommune 2001a:18-19)

The most interesting aspect of the City Council’s strategy around the SILM is that it brings into sharp focus the importance of the welfare state in its social reproduction role in terms of ‘managing’ the reserve army of labour. There is recognition that barriers to entry to the labour market go beyond ‘lack of skills’ but also can be located in the social and health situation of people. Research undertaken by the Labour Market Department on 200 long term unemployed claiming social assistance revealed that 66% had some form of health problem and 21% had no access to housing (Aalborg Kommune 2001a: 28). Thus ‘prevention’ strategies devised by the local authority around issues of health and safety at work for example raise important issues about employment and work place practices, how they are developed and enforced.

The new government of 2001 has in its reforms introduced in October 2002, promoted the involvement of new ‘actors’ in the provision of labour market counselling services and advice. It is too early to assess the impact of these initiatives but it possibly involves a more contract and competitive tendering process more on the lines of the UK model. Officers employed by the Employment Service have observed that this could lead to a more privatised model of programme delivery with the possible break up of the guidance and counselling functions of the Employment Service (Interview with Senior Policy Officer, Employment Service 2002). Interestingly, this scenario is also envisaged by
trade union officials with one commenting that "this could provide possibilities for the Unemployment Insurance Trusts (A-Kasses) to be more involved with labour market policy by giving more advice to the insured unemployed in relation to access to the labour market" (Interview with Union Official of Insurance Fund, 2002).

*Competitive Strategies and Entrepreneurial Governance: A Case of Increasing Decentralisation and Re-Territorialization*

By the late 1980s, there had been a pronounced shift from local government to local governance of the regions because of the regional development programmes. Halkier and Flockart sum up the nature of governance as follows:

Perhaps the current organisational pattern within bottom up regional policy in Denmark could be best described as loosely coupled networks, overseen by central government but dominated by regional/local governments and their associated organisations. And, particularly important from the perspective of the current report, these economic development initiatives would clearly seem to have entailed a fairly extensive involvement of the social partners, either on the overall strategic level or in relation to individual development bodies (Halkier and Flockart 2002:7)

The significance of the regional development programmes is a further decentralisation of economic policy and competence to regional and local institutions. To some extent this can be viewed as a form of 'devolution', which was built upon by the labour market reforms. The other important dynamic is the opening up of institutions to business influence and the more proactive role of local business councils and organisations in economic development policies. Whilst the Free Local Government Initiative (FLGI) comprised rationalisation and modernisation objectives (coupled with tighter central control of budgets by local government) as suggested by Jørgensen (2002:60) the
innovations in policy and subsequent stimulation of new organisational arrangements went hand in hand with an increasing influence of European Policy in the formation of regional economic development strategies (Etherington 1995).

This shift towards governance is closely linked to a more complex territorial politics (or rescaling) of the Danish state within the region. In addition to the regional and local labour market institutions, industrial policy was directed by sub regional institutions such as the North Jutland Development Fund (NUF). NUF covered the area eligible for ERDF, and for the Aalborg ‘Region’ (classified as a transitional area) known as the Region Aalborg Collaboration involving the City Council, and immediately surrounding local authorities.

In many respects this new phase involves attempts to further co-ordinate demand and supply side policies in tandem with more active mechanisms for managing the reserve army of labour. This shift towards policy integration requires more complex forms of governance, actors and partnerships. Prior to the late 1990s it was sufficient to operate in tandem industrial and labour market policy. This is no longer the case. As in the UK, the pressures towards policy integration, between the various strands of labour market policy (i.e. the two systems) and the various industrial and economic development policies has brought in more actors and created a more fragmented institutional environment.
Contradictions and Barriers to Labour Market Policy: Challenges to Social Democratic Corporatism

Using Offe’s analytical framework for analysing crisis tendencies in the welfare state, this section will consider three elements; steering, legitimisation or crisis in policy failure and fiscal crisis.

Problems and Conflicts in ‘Management, Steering’ and Co-ordination

The ‘regionalisation’ of labour market policy involves a more complex functional specialisation and division of labour within the state’s institutions, - between the state and civil society (private employers and trade union/social movements) and a commensurate territorial rescaling with different institutions representing territorial constituencies in the delivery of labour market policy. These are elements, which add up to a problem and conflict in terms of the ‘management’ of labour market programmes.

Local councils were faced with substantial problems in relation to managing extra budgets and competencies. Many are small in relation to area and population coverage and required in some instances collaboration in the region where authorities were grouped together and a central co-ordinating committee and unit was established to manage activation schemes. The other challenge was to elect members to the LMC, which would guarantee all interests were represented. A senior officer of the Labour Market Department of Aalborg City Council observed:

“it is a problem for local councils because there is a legal requirement to
activate the unemployed whilst being faced with immense organisational problems in delivery. Also, whilst the representation process for electing delegates to the board of the Regional Council works quite well, it needs to be recognised that not all interests of the diverse municipalities are necessarily represented. There are inevitable inequalities in power between the municipalities in the region.” (Senior Employment Officer, Interview, 1996).

Geographical uneven development within the region exacerbates this with the rural communities where unemployment is the highest tending to mobilise via ‘sub-regional’ organisations established to manage the structural funds. One common explanation for problems in co-ordination is competition and rivalries between the local authorities. This may be true but another reason may be the specific struggles within the small localities around social and employment objectives, which is placing pressure on the various municipalities to take action.

The other dynamic in terms of the changes is the ‘needs’ element of the reforms whereby all the unemployed have a right to an action plan which would form the basis of their choice of routes in terms of ‘activation’ and or ‘education.’ This is in fact fundamental to labour market policy but its impact on all the ‘partners’ was considerable with immense pressures particularly on the Employment Service (for the insured unemployed) and the Municipalities (uninsured unemployed) in terms of counselling all the unemployed. This led to some interesting collaboration. For example, Aalborg sub contracted some of the work on counselling to the trade unions through their unemployment insurance trusts (Etherington 1997a). The outcome was a problem of overload, which entailed significant underspends on budgets in the initial period (Hansen and Hansen 2000).

This leads to another major problem of ‘managing’ the reforms and that is the planning
process itself. Offe (1984) considers that contradictions of capital accumulation (unemployment, social inequality, fall in profit) are countered by the state mobilising three resources - fiscal, political-administrative, and mass loyalty. If we consider the first, the massive amount of resources invested in the labour market programmes created an imperative for their spending (in order to save benefit outlays) and in an efficient targeted manner. As mentioned above this did not happen. However in order to do this a political administrative system is required which can prevent agencies acting in conflicting ways, to have at its disposal adequate information about the environment and to have a forecasting capacity which will support its planning functions. Offe argues that these are undermined by the expansion in state activity (because extending the role of the state raises problems of management, co-ordination and political conflict) and in order to resolve these problems the state will make changes to try and ‘manage’ these problems. In many respects the rationalisation of measures and procedures that was accompanied by centralisation of control are connected to these problems of the reform programme. However, in the case of North Jutland, this is also highlighted by Nordjylland LMC which argued in its 1997 Plan submission: “It is the Council’s wish that there is a possibility to plan for a longer period than one year...It is the wish of the Council that regional labour market policy is planned in a three year period so there is a possibility of continuity” (Arbejdsmarked Raad Nordjylland 1996:3 emphasis in the original see also Larsen and Stamhus 2000).

Finally, it is important to assess the role of industrial policy. There are obvious links between the two policy streams. One – the industrial policy - involves inward investment and creating new jobs through various interventions to support businesses and its environment, the other - labour market policy – involves ensuring that labour of the right
quality is directed towards businesses. Training can also go hand in hand with 'hard' policy initiatives. In theory this is how it should be, but in practice there are inherent barriers to a 'co-ordinated' policy. First, each area initiative embodies its own interests and priorities. Often this is politicised (through the local authorities) and de-politicised (through the non-elected institutions). There is an inevitable tension between the two.

Regional labour market policy takes account of a regional 'politics' which promotes competitiveness and regeneration (for example through ICT and sectoral targeting), but this can fail under the weight of giving priorities to performance and outcomes which act as barriers to a planned intervention. There are initiatives to overcome this. For example, Aalborg TUC is developing closer collaboration with Aalborg Industrial Council in attempting to networking between local small businesses in relation to new technology applications (Interview with Chair of Aalborg TUC, 2002).

To sum up, the recent developments present a more complex institutional landscape in North Jutland comprising varied territorial interests which both collaborate and compete. A "stable strategic consensus" has characterised partnership building in the region which can be explained by a strong politics of place, where diverse social interests share a similar fate in terms of the problems of uneven development and regional economic restructuring, "coupled with the notion of being peripheral and far, far away from the corridors of power in Copenhagen" (Halkier and Lockart 2001:22). To some extent this corporatist consensus building has been forged in relation to broad strategic aims about the economy and the labour market but masked underlying differences between the social partners about priorities. The employers do not care about the policy instruments used as long as they get the employees they require and bottlenecks and labour shortages are resolved. On the other hand the trade unions have displayed scepticism about the commitment to specific types of strategies, including the way the
unemployed are managed within the SILM (Interview with trade union official November 2002). This polarisation in social interests is articulated within the local institutions. For example, the AMU as the key vocational training institution pursues goals around a social integration model of vocational training whilst the local authority has developed more of a management role within the labour market (Interview with Senior Officer of North Jutland AMU, Aalborg Office October 2002).

Activation, the SILM as a source of Fiscal Crisis

In the previous chapter, an argument was put forward relating to the significance of rights and obligations ideologies in supporting the SDP labour market reforms. This was supplemented with two (connected) discourses around the new policy regime. One is corporate social responsibility (CSR) and the other social integrationist (SI) which has been taken up more vigorously by the new right wing government. CRS (in relation to the labour market) is about the private sector becoming more socially aware and proactive in relation to retaining and employing those groups in the labour market considered marginal and with a reduced capacity to work (cf. Holt 2000). It is too early to assess the efforts of the Co-ordinating Committees, but as Holt observes, their intention is to resolve a growing financial and fiscal problem for the Local authority:

The starting point for the debate about Corporate Social Responsibility has not been the imperfections of the market but rather those of the welfare state. In spite of the healthy economy and low unemployment figures, the Danish state is spending a large part of its public finances on transfer payments...Finally there is the last paradox that, in fact politicians are trying to influence enterprises to making the enterprises more open during times when developments, at least in some enterprises, are going in the opposite direction, i.e. towards greater demands on the individual employee and thus a narrower labour market (Holt 2000:23).
In this respect the performance of the private sector in the city has been relatively low key in relation to its use of the various labour market programmes (Interview with Senior Officer Labour Market Department Aalborg City Council). It remains to be seen how far the campaigns and partnership working will influence private employment practices. The SI discourse has underpinned the targeting groups in the labour market, such as the claimants on social assistance and minority ethnic groups and immigrants. Groups in the Danish population have become socially constructed as problems to the extent there are parallels with the underclass debate about where the underlying causes of unemployment lies. The focus is on ‘treating’ these groups. This is not to say that the above policies are not legitimate or relevant, but they exist in a vacuum from a wider discourse about the politics of full employment, which prevailed in the post war period. Furthermore, as is characteristic of ideology and discourse, what is excluded is significant – for example social exclusion and inequality affects women but they are not ‘targeted’ as such in the SILM (see below). There is another paradox about the SILM that relates to the insured unemployed. In an interview with the Leader of a Union Insurance Fund it was revealed that the insured unemployed undergo a transition in terms of perceptions about the labour market from relative optimism to deep felt pessimism about their chances of getting back into work.

The problem is that in a short period of time unemployed that may or may not already have certain social problems become more vulnerable to depression, alcoholism etc after a certain time receiving unemployment benefit and looking for work. Whilst social services exist to deal with these problems it is not the same as the intensive treatments undertaken by the local authority through the SILM. The issue is that all people who are unemployed whether insured or non insured are vulnerable to social problems, but it is clear that they do not all get equal treatment (Interview with Leader of Union Insurance Fund, 2002).
In the same interview, the officer expressed a view that whilst social problems act as barriers to the labour market, a contributory factor to people's pessimism relates to the poor quality of some of the 'activation' schemes on offer, and the restricted access to vocational training which has been the main thrust of more recent policies of the former SDP and new government.

In their study of local authority labour market activities, Larsen et al (2001) argue that whilst the threat of sanctions against the unemployed is real, in practice they are used as a last resort, and efforts will be made by those to avoid them where ever possible (Larsen et al 2001:70-71). This applies also to Aalborg City Council where all efforts are made to avoid benefit sanctions (Interview with Senior Officer Labour Market Department 2002).

*Legitimation Crises: Activation as Policy Failure and the Reproduction of Social Divisions*

Bredgaard's contention that if there has been an employment 'miracle' it has only occurred in the social insurance system is confirmed by the most recent available data on social assistance and sickness benefit for Aalborg. Between 1996 and 2001 the numbers on social assistance increased by 7.5% with 5,500 people (8% of economic active) claimants at the end of 2001. Sickness benefit recipients also increased in the same period to around 1,700 (Aalborg Kommune 2001a:25,34). Given the earlier observations about the use of other benefit measures during the 1980s (see Chapter 7) then these figures may reveal the severe limitations of activation. In particular, these trends are the reasons for the special efforts the local authority is making to secure more
partnerships with the private sector to become more involved with the special activation programmes (see Aalborg Kommune 2001a:18-21). Another trend analysed by Aalborg Kommune is the tendency for less young people to join the UI system than older people and therefore social assistance is becoming the equivalent of the UI (Aalborg Kommune 2001a:25). This is because of the increasing numbers who are claiming social assistance for longer periods but also a layer of young people (although not quantified) who are unable to retain employment, or the type of work they obtain precludes them being able to qualify for UI. Furthermore, as Table 10 reveals, despite the employment boom, significant numbers have been made unemployed.

Employment data does not reveal details on either skill and pay, but experts on the local economy have observed that many of the new industrial jobs created in the service sector, telecommunications and mobile phone industries in recent years have been unskilled in nature and predominantly employing women (Interview with Head of Labour Market Department Nordjylland Amt, 2002). Table 10 shows that unemployment has disproportionately affected unskilled workers particularly women (e.g. Women’s Workers Union) and Table 11 shows that unemployment has particularly affected women in the older age group.
Table 8  Unemployment by Insurance Fund (Akasse) in Aalborg

<table>
<thead>
<tr>
<th>Insurance Fund</th>
<th>2000</th>
<th>2001</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>178</td>
<td>199</td>
<td>11.8</td>
</tr>
<tr>
<td>Academic</td>
<td>349</td>
<td>400</td>
<td>14.6</td>
</tr>
<tr>
<td>Office and Public</td>
<td>500</td>
<td>574</td>
<td>14.8</td>
</tr>
<tr>
<td>Office workers</td>
<td>763</td>
<td>927</td>
<td>21.5</td>
</tr>
<tr>
<td>Technical Workers</td>
<td>341</td>
<td>375</td>
<td>10.0</td>
</tr>
<tr>
<td>Building</td>
<td>259</td>
<td>271</td>
<td>4.6</td>
</tr>
<tr>
<td>Metal workers</td>
<td>322</td>
<td>429</td>
<td>33.2</td>
</tr>
<tr>
<td>Special Workers</td>
<td>422</td>
<td>371</td>
<td>-12.1</td>
</tr>
<tr>
<td>Women Workers</td>
<td>1,010</td>
<td>1,165</td>
<td>15.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>160</td>
<td>181</td>
<td>13.1</td>
</tr>
<tr>
<td>Public Employees</td>
<td>227</td>
<td>236</td>
<td>0.0</td>
</tr>
<tr>
<td>Non Insured</td>
<td>473</td>
<td>526</td>
<td>11.2</td>
</tr>
<tr>
<td>Other Insurance Funds</td>
<td>637</td>
<td>665</td>
<td>4.4</td>
</tr>
<tr>
<td>Aalborg Local Auth. Total</td>
<td>5,641</td>
<td>6,318</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Source: Aalborg Kommune (2001a:13)
Table 9 Unemployment by Gender and Age in Aalborg

<table>
<thead>
<tr>
<th>Aalborg Kommune</th>
<th>1999</th>
<th>2000</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>5,757</td>
<td>5720</td>
<td>-0.6</td>
</tr>
<tr>
<td>16-24</td>
<td>632</td>
<td>490</td>
<td>-22.5</td>
</tr>
<tr>
<td>25-29</td>
<td>904</td>
<td>889</td>
<td>-1.7</td>
</tr>
<tr>
<td>30-39</td>
<td>1672</td>
<td>1600</td>
<td>-4.3</td>
</tr>
<tr>
<td>40-49</td>
<td>1069</td>
<td>1099</td>
<td>2.8</td>
</tr>
<tr>
<td>50-66</td>
<td>1480</td>
<td>1642</td>
<td>10.9</td>
</tr>
<tr>
<td>MEN</td>
<td>2884</td>
<td>2803</td>
<td>-2.8</td>
</tr>
<tr>
<td>16-24</td>
<td>343</td>
<td>261</td>
<td>-23.9</td>
</tr>
<tr>
<td>25-29</td>
<td>468</td>
<td>440</td>
<td>-6.0</td>
</tr>
<tr>
<td>30-39</td>
<td>799</td>
<td>746</td>
<td>-6.6</td>
</tr>
<tr>
<td>40-49</td>
<td>539</td>
<td>555</td>
<td>3.0</td>
</tr>
<tr>
<td>50-66</td>
<td>735</td>
<td>801</td>
<td>9.0</td>
</tr>
<tr>
<td>WOMEN</td>
<td>2873</td>
<td>2917</td>
<td>1.5</td>
</tr>
<tr>
<td>16-24</td>
<td>289</td>
<td>229</td>
<td>-20.8</td>
</tr>
<tr>
<td>25-29</td>
<td>436</td>
<td>449</td>
<td>3.0</td>
</tr>
<tr>
<td>30-39</td>
<td>873</td>
<td>854</td>
<td>-2.2</td>
</tr>
<tr>
<td>40-49</td>
<td>530</td>
<td>544</td>
<td>2.6</td>
</tr>
<tr>
<td>50-66</td>
<td>745</td>
<td>841</td>
<td>12.9</td>
</tr>
</tbody>
</table>

Source: Aalborg Kommune (2001a:14)

Statistics produced by Aalborg City Council’s Equal Opportunities Committee (Ligestillingudvalget) show both gender segregation in the public labour market and pay inequality (Table 12). Aalborg Kommune is the major employer in the local economy and 75% of the total workforce are women. This has remained a constant trend since 1995. Second, men and women dominate different types of jobs. The Technical Department (Teknisk Forvaltning) employs twice as many men as women and the Social Department employs three times as many women as men. Therefore occupational segregation is quite dominant in the labour market. Despite the fact that the overwhelming majority of those employed in the city council are women, it is men who hold the majority of managerial and senior posts. Rates of pay are also unequal.
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>% Men</th>
<th>% Women</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and health</td>
<td>189</td>
<td>3776</td>
<td>3965</td>
<td>5</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>Day care</td>
<td>731</td>
<td>2236</td>
<td>2967</td>
<td>25</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>Teachers</td>
<td>801</td>
<td>1310</td>
<td>2111</td>
<td>38</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>Admin.</td>
<td>397</td>
<td>1152</td>
<td>1549</td>
<td>26</td>
<td>74</td>
<td>100</td>
</tr>
<tr>
<td>Cleaning</td>
<td>12</td>
<td>83</td>
<td>95</td>
<td>13</td>
<td>87</td>
<td>100</td>
</tr>
<tr>
<td>Unskilled semi skilled labourers</td>
<td>356</td>
<td>57</td>
<td>413</td>
<td>86</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>Day care</td>
<td>5</td>
<td>766</td>
<td>771</td>
<td>1</td>
<td>99</td>
<td>100</td>
</tr>
<tr>
<td>Kitchen and Canteen</td>
<td>52</td>
<td>378</td>
<td>430</td>
<td>12</td>
<td>88</td>
<td>100</td>
</tr>
<tr>
<td>Misc. Workers</td>
<td>258</td>
<td>231</td>
<td>489</td>
<td>53</td>
<td>47</td>
<td>100</td>
</tr>
<tr>
<td>Social Worker</td>
<td>61</td>
<td>314</td>
<td>375</td>
<td>16</td>
<td>84</td>
<td>100</td>
</tr>
<tr>
<td>Academics</td>
<td>202</td>
<td>170</td>
<td>372</td>
<td>54</td>
<td>46</td>
<td>100</td>
</tr>
<tr>
<td>Residential workers</td>
<td>113</td>
<td>279</td>
<td>392</td>
<td>29</td>
<td>71</td>
<td>100</td>
</tr>
<tr>
<td>Service</td>
<td>206</td>
<td>46</td>
<td>252</td>
<td>82</td>
<td>18</td>
<td>100</td>
</tr>
<tr>
<td>Craft</td>
<td>152</td>
<td>4</td>
<td>156</td>
<td>97</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Physio.</td>
<td>7</td>
<td>152</td>
<td>159</td>
<td>4</td>
<td>96</td>
<td>100</td>
</tr>
<tr>
<td>Technical and building</td>
<td>38</td>
<td>62</td>
<td>100</td>
<td>38</td>
<td>62</td>
<td>100</td>
</tr>
<tr>
<td>Gardners and wood management</td>
<td>74</td>
<td>30</td>
<td>104</td>
<td>71</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>Library</td>
<td>20</td>
<td>79</td>
<td>99</td>
<td>20</td>
<td>80</td>
<td>100</td>
</tr>
<tr>
<td>Dentist</td>
<td>0</td>
<td>86</td>
<td>86</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Civil Defence</td>
<td>75</td>
<td>3</td>
<td>78</td>
<td>96</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Musik &amp; school teacher</td>
<td>27</td>
<td>24</td>
<td>51</td>
<td>53</td>
<td>47</td>
<td>100</td>
</tr>
<tr>
<td>Library Assistants</td>
<td>20</td>
<td>27</td>
<td>47</td>
<td>43</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td>Laboratory and Environment</td>
<td>5</td>
<td>28</td>
<td>33</td>
<td>15</td>
<td>85</td>
<td>100</td>
</tr>
<tr>
<td>Works manager</td>
<td>53</td>
<td>2</td>
<td>55</td>
<td>96</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Total in Aalborg City Council</td>
<td>3854</td>
<td>11295</td>
<td>15149</td>
<td>25</td>
<td>75</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Aalborg Kommune (2001b:8)
and work undertaken by the Ligestilling Konsulent (Equal Opportunities Consultant) shows that women's basic pay is on average 90% of men's pay even though the same work being undertaken under the same collective agreements (Aalborg Kommune 2001b).

The role of public policy in reproducing social and gender divisions is underlined not only by a lack of an equality dimension to the labour market policy, but also by the fact that existing policies serve to reproduce inequalities between men and women. They are of course two sides of the same coin. An example of this can been seen in job training schemes for unemployed. Schemes run by Aalborg City Council for the insured unemployed reveal quite stark differences in the type of schemes undertaken by men and women. Caring and servicing jobs were undertaken by mostly women and labouring type work predominantly by men. (Aalborg Kommune 2002d)

There is a 'politics of gender equality' in Aalborg, but it is 'competing' with other 'identity' politics' around the labour market such as ethnicity and social assistant claimants. The early statements of the NordJylland LMC were quite clear about the position of women (and other disadvantaged groups in the labour market) not only noting the patterns of inequality, but that job segregation created bottlenecks (AMR Nordjylland 1996:18). Yet from interviews and documentation, this priority around gender seems to have diminished. For example a recent statement about unemployment reveals quite significantly higher rates of unemployment amongst women compared with men, but barely gets a mention in the commentary (AMR Nordjylland 2002:Table 4.3.1,23).
When the issue of equality policies was raised in an interview with an Employment Services officer who services the LMC, he stated that "equality issues were not really important, as the Employment Service has been unable to fill an equality officer post. The most important issues is integration of ethnic minorities." (Interview with Senior Officer, Employment Services, 2002). Furthermore, there is no indication that the LMC have established any ongoing group or committee to develop equality policies. A Researcher on Gender Equality at Aalborg University, who has been involved with RLMC commissioned research on women in the labour market states that the "LMC does not give women's issues any priority and therefore many of the policy issues about the labour market tend to ignore questions about tackling gender segregation and unemployment." (Interview with Research, Gender and Society Research Unit, Aalborg University, 2002). This is not to say that equality work is not undertaken within the ES and LMC, but its profile is low when related to the extent of gender inequality.

Social Struggles for Equality or an Inclusive Labour Market Politics?

The Trade Unions Job Rotation and, Vocational Training: The Struggle for a Redistributive Labour Market Policy

The vulnerability of the local economy to fluctuations, the prominence of unskilled employment and the experience of high rates of unemployment have led the trade unions to be particularly active in utilising labour market policies in defending members interests. Local political and cultural traditions and institutional infrastructure has been an important factor in the involvement of the trade unions in Aalborg and North Jutland with labour market policy innovations. Following the period of high unemployment of the
1980s the trade unions made demands about the distribution of work and work sharing as solutions to the unemployment crisis. Out of this discourse emerged the Job Rotation model which was piloted in a medium size textile factory (Fibertex) in Aalborg in 1990-1991. The pilot scheme was co-ordinated by the Danish Workers Educational Association and trade unions with co-operation from the firm's management and labour market authorities (cf. EUJobrotation 1996 Etherington 1997a).

Shop stewards and the Workers Educational Association presented a plan incorporating the use of legislation on continued vocational training for employees (CVT) and for the unemployed to gain access to full time vocational training. With the support of ESF money it was considered possible to fund training and subsidise the release of employees to gain work specific skills. It was a period of change in the firm with the introduction of new technology and changes to work organisation high on the agenda. The 1994 reforms made the implementation of job rotation easier with the introduction of the leave schemes, which were subsidised by the state and job rotation schemes were continued throughout the 1990s as Fibertex introduced new production and technological processes. Both the expansions in employment and retraining of workers were a result of the actions of the unions and WEA alongside an enlightened and innovative management team within the factory. The involvement of the workforce and unemployed in the planning and content of the courses was a crucial element in developing continual vocational training which met the needs of both the employer and employee (Nielsen and Mølvagaard 1999).

The incorporation of continual vocational training (c.v.t.) within sectoral collective agreements has been used by local trade unions to negotiate job rotation schemes. A
local firm (DLG) involved with the production of agricultural products, which had no track record in the utilisation of c.v.t. developed an extensive programme of c.v.t. involving job rotation. This evolved from an agreement made in 1995 between the trade union for workers in transport and distribution (AHTS), unskilled workers (SID) and the union for women workers (KAD) – also for predominantly unskilled workers (Sommer and Sørensen 1997). A training agreement was established to respond to the introduction of new technology that also avoided redundancies, which were being considered as part of a wider plant merger and restructuring programme. An ‘upskilling’ programme was drawn up, through which c.v.t. would reduce both wage costs and the costs of training.

Hence, during the years after the agreement was signed, part of DLG-Aalborg staff permanently drifted between ordinary jobs and their training periods at the AMU training centre. Thereby, management at DLG was able to ‘park’ the reduced labour force at publicly funded AMU training and avoid paying full wages during the period when staff members participated in training (Knudsen Lind and Sørensen 2000: 52)

For the workforce (and trade union interests) the training agreement and use of job rotation guaranteed upskilling and retention of the workforce, and for the management it guaranteed heavily subsidised training and adaptation to new production systems.

Job rotation has not been confined to the private sector and has been used in the public sector, particularly in areas where there are skill shortages. Aalborg City Council in collaboration with the Pædagogisk Medhjælper Forbund (PMF) - the trade union covering nursery education workers - introduced job rotation in 1996 as a vehicle for facilitating nursery workers to be released to participate in continued professional development. At the time the state was introducing changes to the requirements for recognised qualifications in nursery education, which meant that existing workers
needed to update their qualifications to meet with government guidelines. At this time the union was also campaigning around the shortage of nursery workers within the sector as a whole and job rotation was a vehicle for attracting unemployed people into the sector vocational training with the intention of permanent employment. This exemplifies the potency of Job Rotation as a bargaining tool by the trade unions for negotiating change in the workplace (Interview with former union full time official 2002).

The Unemployed Fight Back? Challenging Workfare Politics and Discourses

As in the country as a whole, the emergence of the Unemployed Workers Association (Arbejdsledig i Danmark (AL)) has been a recent significant development in the local politics of workfare in Aalborg. Actions have been primarily around municipal activation schemes but there is also an interesting counter discourse about workfare within which a demand for sustainable employment has been a key aspect of political discussion within the organisation (Interview with leading member of AL October 2002). Furthermore there is also evidence of a coalition between AL and SID, - the unskilled workers union - around the increasing number of activation schemes which are seen as similar to job tasks undertaken by unionised workers (Nordjyske Journal 16 August 2003). It is difficult to assess (without a more detailed survey of the unemployed) the extent to which unemployed people are consensual in relation to activation or deploy strategies of resistance and negotiation. However it is worth noting in this context, that the SILM programme has incorporated strategies towards those unemployed people who do not want to participate on the schemes (see above). In addition the fact that the Aalborg branch of the A.L. has been quite active in engaging with those on activation programmes suggests, perhaps, a more conflict orientated process between the
unemployed and personal advisors (see also Larsen 2002).

In relative terms the local co-ordinating committee is still in its infancy, but its establishment through national legislation is a statement of intent that some form of corporatist arrangement and steering needed to be established with respect to the activation of the unemployed on social assistance. Its implication and contradictions will be explored in more detail below, but the policy has received support from the Danish TUC nationally to the extent that it has published models of good practice which trade unions in localities can adopt (LO 2001).

The Aalborg TUC has been involved with two initiatives which have been supported by the Aalborg Co-ordinating Committee. The first involves an agreement between the Aalborg TUC and the City Council about the organisation and procedures relating to the SILM and the Fleksi jobs (Leader of Aalborg TUC 2002 interview, LO Aalborg 2001a).

The agreement involves a number of key aspects to protecting vulnerable workers in the labour market. First, is the laying down the framework for a consensual and open collaboration between the different partners on the Co-ordinating Committee. Second, it sets down the priorities of action for preventing those experiencing ill health on a long term or regular basis from being chosen for redundancy. Third, it involves integrating marginal groups into the labour market through the use of special employment measures – fleks and skåne jobs (see previous chapter). Finally, the agreement involves procedures relating to people on long term sick in terms of counselling etc.

In many respects the initiative is important in that it brings the trade union into contact with groups who are not necessarily members nor have any history of affiliation to the
trade unions. The key problem, however, for the unions as more and more people move out of the insurance system into the social assistance system is establishing some form of contact and membership base.

The LO Aalborg applied for funding to develop a pilot project involving an awareness campaign amongst the unemployed about the trade union movement. (LO-Aalborg 2001b, 2001c) The objective of the project is to organise the unemployed on social assistance and consider ways in which the unions can assist the unemployed to integrate into the labour market. Part of the project will include training shop stewards to be competent in dealing with the SILM. The scheme involves those on social assistance paying a small sub and becoming members of the scheme, which will provide social and cultural facilities and activities and build social networks between the unemployed. A Project Worker would be employed to undertake this task, employed by LO-Aalborg who would report to a steering group involving relevant partners such as the Employment Service, TUC, Unemployment Insurance Trust. The project is geared towards educating the unemployed in areas such as welfare rights, services provided by labour market institutions, the Danish Labour Market Model, how to find a job and cultural development. The project is in its very early stage of development and therefore it is too early to evaluate its impact.

Women and Labour Market Policy: Is there a Gender Agenda?

Birte Siim has stated that there “is a gap between women’s active citizenship and their power positions in the centres of political and economic-decision making” (Siim 2000:147). Women are under-represented in the various decision-making structures in
the labour market organisations as well as the trade unions in Aalborg and North Jutland. An ex member of Aalborg TUC Equality Committee stated:

It has been a constant problem of raising the question of women and continually being either ignored or told that it is not a priority. The trade unions have problems with their patriarchal culture which undermines their progressive role for changing for the better all those who are disadvantaged in the labour market (Interview with former full time trade union official, 2002).

The City Council’s Equality Committee has been at the vanguard in developing a debate and policy for gender equality in relation to employment and pay. A recent report appropriately titled “Hvor meget er kvinders arbejde værd?” (How much is women’s work worth?) developed a critique of common notions of women’s work and pay (Aalborg Kommune 2001c). Furthermore, the Equality Committee has been the driving force behind tackling other issues such as occupational and vertical segregation within the local authority Equality Committee including collaborations between the Committee and a trade union about developing national pay guidelines (Interview with Chair of Equality Committee 2002, Aalborg Kommune 2001d).

One women trade union activist interviewed expressed support for the way the leave schemes have enabled women to combine work and family life whilst at the same time they have served only to reinforce gender segregation and dominant discourses of women’ role within the household as carer – because their dominant use by women in and outside the labour market was not seriously contested by the trade unions (Jensen 2001, Siim 2000).
However, it would be wrong to paint a one sided picture. There are internal struggles occurring within the unions around how unemployment policy will lead to the creation of real jobs, and it interesting to note that issues of equality are being developed within this debate (Women TU Officer, PMF Union interview 2002).

**Conclusion: Forging New Local Welfare Spaces in Aalborg – Destabilising the ‘Consensus Model’?**

The politics of place in Aalborg and the region has been consolidated in the face of a more liberal economic policy. Regional and urban interests are being articulated through the RLMC, local coordinating committees, and other institutions, in a way that attempts to secure a more equitable spatial as well as social distribution of welfare. The leader of the Aalborg TUC claimed that the policy debates within the RLMC reflect a high degree of consensus between the partners. The struggle between the various interests (unions, local government, employers) tends to be fought at the national level over major policy issues. However, as shown in relation to gender and social assistant claimants’ welfare and workfare policies serve to reproduce social inequality, which generates conflicts and social struggles about how policies should be prioritised.

Consensus may be operating at a specific level (within the hierarchies of the social partners) but there is evidence of a more conflict-based politics at the ‘grass roots’. This conflict is around a more clearly defined class politics whereby the various activation schemes, the SILM, and vocational training are coming under intense pressure because of the evident lack of opportunities in the labour market. As Bredgaard and Jørgensen highlight, there have been successes in the labour market policies, but these have been
short lived. These successes have been more down to changing demand conditions than on the effectiveness of the policies themselves. At the same time, a changing economic climate (and more intense global competition) tends to reveal inherent limitations in a starker light (Bredgaard and Jørgensen 2000: 32-33)

The creation of new welfare spaces in Aalborg involves a more complex institutional environment, new actors and a greater influence of entrepreneurial politics and ideologies. This is reflected in the new discourses about spatial competition and growth and the efforts towards integrating labour market with industrial policy. At the same time, however in contrast with Sheffield, those social forces that are pursuing more redistributive agendas have a strong presence within the wider polity. Whilst social democratic goals remain dominant within certain policy arenas liberal and neo liberal influences are gaining ground. Rather than the social democratic ‘consensus’ being challenged, it is currently being re moulded around a trajectory that is giving more space for liberal ideologies and social practice.
CHAPTER 9

CONCLUSION: WORKFARE, ACTIVATION AND PRODUCING NEW WELFARE SPACES IN THE UK AND DENMARK

Introduction

An argument of this research is that comparative analysis of welfare and workfare in the UK and Denmark can assist in the explanation of some basic assumptions and questions about future trajectories of the 'post keynesian' welfare settlement. The focus upon case studies of Aalborg and Sheffield illuminates the way new welfare spaces are being produced and their role as an active dynamic in the political economy of welfare in Denmark and the UK. This final concluding chapter will explore some of the main dimensions of what can be conceptualised as the construction of new welfare spaces and how this can help to explain some of the shifts and changes that are underpinning contemporary welfare restructuring.

Globalisation and Geographies of Welfare and Work in the UK and Denmark

There are two main aspects of the 'new' spaces of globalisation. One relates to the division of labour and the other concerns uneven development. The world economy comprises an evolving international division of labour in terms of production and investments. These in turn shape the social division of labour in particular countries and differences in rates and patterns of accumulation. The UK comprises an economy dominated by routinised, low skill and technology service production combined with a
financial sector which historically has a powerful influence on government policy making. This economic structure has influenced social and spatial divisions within the UK. Regional and urban inequalities are still marked, with the traditional industrial cities of the north placed in a peripheral location within the European space economy. These forms of uneven development have shaped the spatial construction of welfare primarily because the localisation of policies has required different policy responses according to local economic and social relations. Alongside a tradition of liberal politics and a current neo liberal 'assault' against welfare, labour market policy is activating or ‘managing’ surplus labour according to local conditions of labour demand. Urban and area based policies have been an important element of the post 1970s welfare settlement where means testing and targeting have dominated and are still dominant in policy discourses. Spatial selectivity of economic and social strategies now has an important role in the shaping of local welfare politics within UK cities.

The international division of labour has left the Danish economy to be based largely on small scale capital geared to a higher rate of technological investment and labour productivity mainly through labour upskilling. This has historically shaped the role of active labour market policies and vocational training within the construction of the particular form of Danish social democratic welfare system. Despite the vulnerability of the Danish welfare system to private sector influences, the dominant mechanisms of spatial redistribution prevail through income transfers between the more affluent and poorer local authorities which have important consequences for reducing inequalities and geographical uneven development. Nevertheless, the evolution of an urban agenda during the 1990s is significant in relation to the construction of a more liberal economic policy discourse such as competitive city region growth politics, which prevail in tandem
with social solidaristic and universal welfare strategies. A new 'localism' is emerging therefore in both countries displaying similar tendencies and processes although perhaps different roles within the framework of shaping national changes.

It is important to note that the response by labour also conditions the processes of globalisation. For Moran (1998) the "significance of class relations within these national economies remains an important variable in explaining and conditioning globalisation" (Moran 1998:59). This argument is of relevance in the account of Denmark and the UK. The politics of labour was seen to be crucial in the restructuring of welfare and setting the constraints upon the implementation of liberal ideologies and social strategies. In Denmark a strong and well organised labour movement has severely limited attempts to privatise and contract out public services, and has enabled a defence of the traditional Nordic social model (and corporatist compacts) and repositioned labour market policy (in the first instance) to its advantage. The maintenance of the social compacts and the capacity for unions to negotiate collective agreements has been a defining feature of why union support has been traditionally strong in Denmark. In the UK, the tradition of voluntarism and a weak level of corporatism combined with a prolonged anti-trade union offensive since the late 1970s have dominated labour and capital relations. The end result has been to reconfigure both processes of exclusion and inclusion as well as the tactics of labour in relation to its negotiations and lobbying around social policy issues. However as Chapter 2 pointed out there are different points of mobilisation and contestation around labour market policies and the New Deal which still make labour an active shaper and actor in the UK welfare settlement.
To sum up, space plays a crucial role in globalisation and welfare restructuring. Capitalism and accumulation involves what Alnasseri et al (2002:164) consider as the fractionation of space arising from uneven development. Nation states “must be understood and studied as historical phenomena in their own right. The fractionation of space has not only taken the historic form of a configuration of nation states and a system of the international division of labour, but has also resulted in an unequal development and fractionation of space within nation states (Alnasseri et al 2002: 164). Space therefore cannot be taken for granted in the analysis of the state and in any discussion of welfare and social policy. As Hudson (2001) points out, the current phase of globalisation requires “different forms of state policy and activity, focused on developing the specific and unique place bound socio institutional assets that enable nation states (and their constituent cities and regions) to locate themselves favourably in a competitive economy”(Hudson 2001:74).

The national case studies also serve to highlight that globalisation is produced at many spatial levels (or scales), and is mediated by national political and social relations. By emphasising the role of ‘labour’ the balance of social and class (struggle) relations is of crucial importance in our understanding of how these mediating processes are produced and articulated. There is nothing pre determined and automatic about globalisation.

In What Direction is Workfare and Activation Politics taking the Danish and UK Welfare Settlements? A Case of Continuity and Change

There is no doubt that the welfare shifts of the 1990s in Denmark and the UK have in common the consolidation of what can be termed supply side policies over and above
demand management. The focus is on the unemployed and their ‘employability’ and on work as being central to solving societies problems. Handler (2003) disputes the claim that there are fundamental differences between the US and European ‘models’ in both ideology and practice.

Thus social citizenship is changed from status to contract. In the face of sluggish economies, persistent long term unemployment, changes in the labour market, and the increasing costs of the welfare state, this new approach to welfare policy represents the beliefs among the economic establishment and most political leaders that an overly generous welfare state discourages work and feeds a dependency culture and that in order for employment to grow, labor must become more ‘flexible’ and the welfare state must be changed from ‘passive’ to ‘active.’ An ‘active’ welfare state will not only encourage job growth, it will also help bring the socially excluded back into the paid labour market and thereby restore true citizenship. It is a programme of inclusion. There is deep concern about ‘worklessness.’ Thus in both the US and Western Europe, the proponents of workfare believe that the surest, most stable path to inclusion is via the paid labour market (Handler 2003:230).

His brief overview of different European countries (including Denmark and the UK) points to strong similarities in the way workfare and activation is being used. The implication of this analysis is that there is a virtual convergence in workfare regimes in developed capitalist countries. However, like globalisation, the construction of welfare systems and settlements is both combined and uneven.

There are indeed common overarching ideologies shared by Denmark and the UK, summarised in the above quotation. Yet there are other ideologies which are of importance and which are implicated in the way practices between systems are quite different. It is also important to mention that Handler’s analysis precludes southern European states where there are different cultures and traditions around work and welfare (Pascual 2002). Furthermore, as the UK and Danish case studies reveal there is
not a shift towards convergence as activation operates quite differently in the respective countries. As highlighted in Chapter 4 the promotion of employability within the European Union involves quite different configurations and strategies at the national and local level. With these points in mind we can highlight some of the key characteristics and contrasts between Denmark and the UK.

**Denmark: New Liberal Challenges to Social Democracy**

One of the main features about the Danish model is that it is both strongly liberal and social democratic. Liberal in relation to the work place and the relative ease in which employers can hire and fire labour. Social democratic in the sense of redistribution where there is a dominant role of the public sector as a provider of social welfare. Traditionally and historically these two elements have been constructed to work in tandem so that social services and a relatively generous benefits system have provided a cushion and socially reproduce labour for the labour market. Workfare and activation have operated in quite different as well as similar ways to the UK. Of course the introduction of compulsion and obligations has marked a radical point of departure from the traditional rules of benefits by rights and this is a significant component of change to the ideologies as well as social organisation of welfare. On the other hand, activation has also embodied strongly social solidarity goals in terms of job rotation and the leave schemes. Workfare and activation have operated in an integrative way and the role of the welfare state as a provider of job training and activation has been strengthened. Major sums of money have been allocated to labour market programmes and the corporatist and decentralised element of competencies as well as the role of labour
through collective agreements in negotiating training within these agreements provides a strong link between industrial relations and social and active labour market policies.

In many senses the 1994 reforms set in motion a new trajectory of a reforming post-war welfare settlement through the labour market reforms but also underpinned and brought to the surface increasing tensions around what sort of welfare model should be constructed. The reforms involve what can be seen as the construction of new spaces of welfare. There has been an increasing role for the market in welfare provision and the fact that some of the leave schemes have been withdrawn has meant that the socially progressive features of the reforms have been diluted. In tandem with this is the ‘productivist’ reorientation of vocational training, increasing centralisation of decision making and consequently reducing the power and autonomy of local labour market institutions. There has also been a tendency to by-pass the traditional tri-partite corporatist arenas around key areas of employment policy which has served to highlight the problems in maintaining a consensus of equality which is embedded in the ‘Nordic’ traditions of welfare. This modification of traditional corporatism is an attempt to overcome ‘steering’ problems associated with the complexity of decentralised employment planning.

The new government’s slogan about ‘more in work’ has a similar ring to the UK New Labour’s politics about the importance and role of work and a flexible labour market. These factors indicate two things, one that the balance of social forces is tipped in the favour of capital and certain ruling economic interests. On the other hand, social democratic ideologies are still quite strong within the wider polity. Labour and social movements are strongly resisting liberalisation, and within the ruling coalition in the
Danish Folketing (Parliament) one of the participating Parties in the Government despite its right wing populism has a base in grass roots social democratic movements.

What is significant here is that the pressure on Denmark’s social democracy arises as a result of strategies to deal with the fundamental contradictions of the Danish welfare state. The activation programmes are key in this process because of the increasing emphasis upon the labour market policies rather than social provision; these are progressively being used as a way of streamlining welfare provision and so helping to overcome fiscal problems. The social inclusive labour market represents an important element of this and in particular the targeting of immigrants and asylum seekers in relation to social provision. Some job training programmes are geared to reducing the number of people on sickness and disability benefits and enable transition into the labour markets whilst others are geared to people eligible for retirement and are aimed at the extension of working life. A ceiling on benefits has been imposed where two adults are claiming benefits (this particularly affects immigrant families) and minority ethnic groups are constructed as an element of Denmark’s ‘under class’ along with social assistance claimants. The reality is however that this new strategic turn in policies does not guarantee full employment and the permanent layer of surplus populations serves to highlight the limitations and problems of this strategy. The question of whether activation is serving to reproduce labour market inequalities rather than combat them, has also become a more pressing political problem for the Danish national government. An example of this is the failure to ensure equal opportunities in the labour market for women and to combat gender occupational segregation.
In relation to the role of politics and mobilisation, the trade union and labour movement has played a key role in negotiation and agenda shaping of the welfare and activation reforms (Møller 1999). The general thrust of the Social Democratic version of ‘workfare’ was supported by the Danish TUC, in particular the leadership. Indeed many aspects of the reforms were a result of campaigning under the previous liberal government. The decentralised element and the increasing role of local government also can be traced to the lobbying by the powerful Kommunernes Landsforegningen – the Danish Local Government Association. In some respects the reforms represented compromises whereby the Danish trade unions conceded to compulsion in return for a more ‘inclusive and rights based’ activation system. This must be understood in the context of the nature of Danish corporatism which traditionally has included a strong trade union presence and the legacy of union involvement over labour market policy whereby unions argue that vocational training is an important workplace demand because it makes workers more ‘employable.’

The research has charted the fracturing of the traditional forms of consensus which has been an intrinsic feature of Danish politics. For a start, the Danish Social Democratic Party is in a crisis and there is a process of dislocation between the Party and the main trade unions. This reflects a response by the unions to some policies during the late 1990s – particularly the early retirement scheme, which was promised and then abandoned (see Gill et al 1998). The new liberal government has polarised social forces as it seeks a more liberal politics of workfare with sections of the unions making defensive actions against proposed changes which will affect the social assistance and unemployment insurance system. There is also evidence of certain unions such as the Unskilled Workers Union as well as the Unemployed Workers Association taking a more
militant position around malpractice in the use of job training and activation programmes. The decline in some of the more ‘social solidaristic’ elements of the welfare and activation programmes such as job rotation and access to vocational leave has been the subject of mobilisation within the corporatist training institutions. The mainstay institutions such as the Employment Service are under threat from a strategy of a more contract and outsourcing regime in the delivery of services to the unemployed. Furthermore, many forces within the labour movement are questioning the role of ‘supply side’ policies as both the TUC and the socialist left are campaigning for more public intervention in the economy focused upon jobs rather than activation.

**The UK: A Case of a More Dominant Neoliberalism**

The UK liberal tradition engendered a dominant discourse of self-help that underpinned the 19th Century Poor Laws. The construction of the welfare state was initially through local government, which at the turn of the 20th century provided a similar range of functions to Danish local government. Many aspects of social security provision were nationalised and taken out of local control partly as a response to local struggles around the provision of poor relief. Whilst the post war settlement entailed a more universal political agenda, labour market policy was more or less left to the private sector and the market. Furthermore, local government functions were increasingly curtailed and para - state agencies took over many of its functions. The territorial configuration of the British State became more complex and fragmented. The dominant politics of voluntarism not only shaped ruling interests towards employment training but also underpinned trade union agendas around the role of the union movement in social policy agendas. The Thatcher government of the 1980s made its mark on the political landscape in terms of
restructuring the welfare state and employment relations to the distinct advantage of certain sections of ruling class interests. The various Conservative Governments played a key role through its deflationary and monetarist policies in expanding the reserve army of labour giving rise to high rates of unemployment and social inequality.

In 1997 the New Labour government inherited a specific form of neo liberalism promoted by previous Conservative Governments, which was particularly hostile to the trade unions and public services. New Labour did not abandon liberalism but instead modified it around a ‘third way’ political discourse. New Labour’s welfare reforms favoured certain subordinate interests – particularly the ‘third sector’ although steadfastly hostile to the trade unions. Its ‘welfare to work’ programme has been built upon previous workfare legacies but was different in that the promotion of work and ‘employability’ had a far more comprehensive component to its social and fiscal policies. The incoming government made significant changes to social welfare; New Labour shares with the previous Conservative governments a strong commitment to privatisation and contracting out. Labour, once the champion of local government and local democracy, has visioned a new ‘locality’ based on enabling local government rather than a ‘provider.’

The tradition of voluntarism in the UK generally meant that the trade union and labour movement became marginalised in relation to corporatist policy making. This was not purely as a result of the role of employers but also ingrained in the culture of the trade union movement which saw its primary role as bargaining within the work place and not outside. Despite a legacy of hostility shown by Conservative and New Labour Governments towards the trade unions, nevertheless they are nevertheless engaging
with the welfare to work agenda. It is a contradictory relationship whereby mobilisation is both compliant and oppositional. Compliant in that the TUC leadership has to a greater degree at a national level not given priority to challenging some of the central motives of the New Deal for Unemployed and has not sought to contest the low level of benefits.

On the other hand the TUC leadership has taken a less ambivalent position in relation to the New Deal revealing a more critical stance, and is seeking to switch attention to economic policy and an economic strategy which creates jobs and prevents further contraction of the manufacturing sector (see TUC 2004). In terms of oppositional and contestation sections of the TUC, e.g. through the Public and Commercial Services union, have attempted to contest the management of the delivery of the programme (wages and conditions for Job Centre Plus employees), as well as build alliances with the unemployment movement. The alliance between the PCS and unemployed is constructed around a Bill of Rights for Benefit Claimants and Department of Work and Pensions Staff which attempts to challenge the rules on benefit sanctions, and the implementation of a more oppressive and disciplinary regime in dealing with claimants. Furthermore the Bill attempts to shift the agenda towards benefits and the right to decent levels of benefits without compulsion (National Unemployed Centres Combine 2002). Furthermore, women’s organisations (and from within local government) are challenging some of the in built discriminations which characterise the operation of the New Deal. It is difficult to gauge how significant these struggles are in terms of their impact on the operation of the New Deal. However, there is evidence from some local case studies that, despite benefit sanctions, the unemployed do not always comply with the rules and that disaffection by non-participation is creating pressures on the system in terms of processing those people who are ‘workless’ into the New Deal system. An
example is the introduction of new initiatives such as the Action Teams and Working Neighbourhoods which one Job Centre Plus worker described as part of an ‘initiative frenzy’ that is occurring in the welfare to work programme (Interview with Job Centre Plus Officer, July 2003). The struggles by the PCS union against performance systems, casualisation and privatisation (and an overall decommodification in the provision of the New Deal) has played an important role in modifying the way the NDU is being implemented.

Within the third sector, there are tensions about how a largely under funded sector can realistically deliver social programmes leading to problems and failures in the implementation of flagship programmes such as the Neighbourhood Renewal. Also within the management of the NDU, partnership models idealised by the government are being challenged by various groups because of their lack of representation and tendencies for power to be concentrated amongst local elites. Taken together, these provide the loci of the contested nature of partnerships and governance and are shaping the forms of restructuring of the local welfare state, the marginalisation of local government and the inclusion of a greater influence of contracts and privatization of services. This has been a more potent cause of opposition from the public sector unions such as UNISON.

The Aalborg and Sheffield Case Studies: The Place of Politics in the Production of New Welfare Spaces

City/regional case studies of activation and labour market policies in Denmark highlight the “specific regional and local contexts and problem perceptions” which are factors in
the construction of local politics, networks and governance (Hansen and Abbas 2003 see also Keane and Corman 2001). Studies in the UK also stress the importance of local social relations in the way that welfare to work is implemented. Taking Manchester as an example Herd and Pattersen state:

‘Localisation’ is evident in two ways: those measures which are the result of a pick ‘n mix from a national menu and those which are the product of genuine bottom up innovation (Herd and Pattersen 2002:202).

These observations lie at the heart of a core argument of this research namely that politics and social action within cities and localities are of vital importance and consequence to the production of the national welfare ‘regime.’ In this respect issues of space and place intersect in a way that at the point of intersection lies a tension as explained by Hudson.

The root of the problem of state spatial policies and policies for places lies in the conflict between a location as a socially produced place and to which its inhabitants are attached and as part of a socially produced space in which capital can make profits. In contrast with capital’s one dimensional concern with spaces of production and profit, places have multiple dimensional meanings for a variety of people, organisations and institutions. Thus places are constructed and experienced as material ecological artifacts and networks of social relations, a product of an “intricate and confusing dialectical interplay” of different moments of the social process. However it is “precisely the ways in which all these moments are caught up in the common flow of social process that in the end determines the conflictual (and oftentimes internally contradictory) process of place construction, sustenance and deconstruction” (Harvey 1996) “(Hudson 2001:273).

From this it is possible to deduce that there is something significant about cities as places embodying a variety of strategies and initiatives under the banner of ‘localisation.’ This significance is a reflection of the “class relations which the local scale allows” (Gough 2003a:31).
The discourse of workfare and activation has been a dominant component in the transformation of policy regimes and governance, with the formation of the strategic partnership and its role in co-ordinating city wide economic strategies and linking the New Deal to other employment based programmes. Whilst this embodies a dominant neo liberal politics of workfare through the Job Centre Plus Pilot and of place competition and adaptation of labour to global competition via the Learning Skills Council skills strategy, many of the policy regimes are operating at different spatial scales. In this respect the European Objective 1 Programme is of fundamental importance in shaping some of the partnerships and their internal modus operandi within the city as this has become a major source of additional funding for financing employment and training programmes. The construction of partnerships has provided a more central role for the voluntary and ‘third sector’ and has arisen in tandem with a restructured role for local government. Funding regimes and partnerships involve contractual arrangements, which has induced a highly competitive environment in relation to the delivery of labour market programmes. Whilst it is difficult to determine the extent of influence of local business interests within the city, it is clear that both policies and governance are imbued with strongly private sector ethics.

Whilst these changes illustrate a quite considerable shift in the mode of economic governance in Sheffield, and in particular a break in the municipal labourism of the 1980s, there are remnants of previous discourses and coalitions embedded in the former municipal socialism and collectivism. Therefore, some aspects of what was
viewed as the ‘old style’ politics and welfare agendas still exist within the city council and permeate some of the policy agenda of the partnerships.

When addressing issues of de-politicisation incorporating accountability and democracy in Sheffield the new set of arrangements suggests a reworked pluralism, with more actors and networks involved in policy discourses. The evidence points to a more centralised as well as a more fragmented culture promoted by systems of competitive bidding and contracting. There is a perception from members of the voluntary sector that the city is ‘run’ by an elite comprising certain leading members of the city council, the LSP and business organisations. Many decisions about policy – the New Deal and Job Centre Plus for example are also being made outside the City as programmes have to work to tight centrally determined guidelines and targets. Another example is that many elements of the social inclusion strategy are excluded from the public arena. The whole notion of social inclusion as represented by the LSP seems to serve to legitimate that the LSP is also engaged with a social agenda.

There are key related and overlapping conflicts and contradictions of welfare and activation in Sheffield which are of crucial importance in our understanding of the way spaces of welfare both shape and hinder the implementation of New Labour’s welfare agenda. One is that the policies which are pushing people into the labour market and waged work create poverty and exclusion and are undermining anti poverty and social inclusion strategies as more and more of the unemployed take up insecure and low paid work. This reality challenges New Labour’s arguments that waged work is a route out of poverty (Gough 2002:70).
As highlighted in the chapter on Sheffield (Chapter 6) material poverty and personal debt have been a subject of debate in the public arena. It is clear that economic growth as such is not creating ‘sustainable’ employment in Sheffield (Dabinett and Ramsden 1999, EKOS 2002). Second, the restructuring of the welfare state is actually undermining the resource base of the voluntary sector in Sheffield. Yet it is this sector which is envisaged as the key vehicle for ‘managing’ labour market and social programmes. Third, the way in which Sheffield’s space economy is adapting to globalisation is reinforcing its subordinate position in terms of growth. Again it is important to highlight that even in terms of neo liberalism the state must provide the preconditions for renewed accumulation. Accumulation strategies are dependent on substantial public investment (for example renewing the transport infrastructure that is undergoing a fundamental crisis due to privatisation and under investment). The Objective 1 Programme for example despite its grand aims and strategies comprises marginal funds to deal with the scale of the infrastructure crisis in Sheffield and South Yorkshire.

The fourth contradiction is around institutional fragmentation. Neo liberalism as highlighted in previous chapters involves more complex scalar fixes. Sheffield’s labour market policy operates at different scales – from neighbourhood to the region (and national) in terms of funding and regulation. As Gough (2003) emphasises scale is not just a functional element with respect to division of labour within the state (although functional boundaries are increasingly blurred and often overlap) but “different territorial economies at the same scale and territorial economies of different scale, have different types of socialisation. And they also have different political-economic strategies, as the example of the British state-EU tensions suggests. Lying behind these are different
class relations within territories of the same scale and within territories at different scales" (Gough 2003:34). As described in Chapter 6 the objectives and strategic orientation of the South Yorkshire LSC in terms of skill development are quite different and potentially conflicting with the objectives of the Sheffield District Office of Job Centre Plus, charged with maximising the number of unemployed into the various New Deal schemes.

Aalborg

Although it is recognised within Danish discourse (e.g. Torfing 1999) that Denmark is moving in the direction of a Schumpeterian Workfare State, what is unclear is the extent to which this shift embodies inherent conflicts and contradictions. There are two main contradictions and tensions that can be highlighted. First are the problems of fiscal crisis of the welfare state (Hansen and Jensen Butler 1996) which has been an outcome of financing the activation programmes and current social benefits. The activation programmes were originally set in place to solve the fiscal problems associated with benefit ‘dependency.’ Aalborg City Council has publicly stated that too many people are on sickness and disability benefits (Aalborg Kommune 2002b). A key element of its social inclusion strategy is to put in place preventative measures to reduce sickness benefits, involving the inclusion of more social service and work support for unemployed claimants. In other words gearing and targeting social reproduction policies and services more towards the labour market. Although benefit sanctions are rarely used against claimant refusals (the SILM involves more options for the unemployed) the rules of engagement have been tightened in order to place people on the equivalent of intermediate labour market programmes. This disciplinary ‘regime’ (see Larsen et al 2002) has also involved a corporate social responsibility campaign to encourage more
involvement of the private sector in activation. This campaign has had limited success (although still in its infancy) but as unemployment rises it is open to question how far the private sector will employ the socially excluded in the labour market.

The second contradiction involves uneven development and growing urban and regional inequality with unemployment rates in Aalborg consistently above the national average. There is a legacy of urban and rural industrial policy, which has both sponsored indigenous capital formation as well as attracting incoming manufacturing companies. Labour market policies have been closely aligned to these initiatives but as Hudson (2003) has observed, the net result is to create and recreate combined and uneven development. The majority of new employment has been unskilled even in the high technology industries as production systems and labour processes involve more simplified task based work systems. High tech does not automatically mean high skill. Activation has assisted restructuring (and rationalisation) by creating a relatively efficient system of channelling labour between sectors. So, the local authority has argued that the majority entering local authority activation go into permanent employment. On the other hand it is also possible that the revolving door operates as the number of people on social assistance is consistently high. The ‘combined’ element of this development is the role of the Copenhagen Region in securing both high technology investment and skilled employment. This confirms the thesis that the Danish state is pursuing a paradigm shift from a politics of spatial equality to a political orientation towards the market and planning for inequality (Jørgensen and Tonboe 1993). Like Sheffield’s relationship with the South East and London, Aalborg is competing with Copenhagen for infrastructure investment.
Although compared with Sheffield, there is a more 'simplified' governance of the labour market in Aalborg; nevertheless there have been a number of developments that have made this 'model' more complex and problematic. The third contradiction, therefore, is expressed through the scalar shifts that have occurred as a consequence of the SILM and spatial inequality. This contradiction lies with the way scaling involves a potential solution whilst at the same time a problem for the management of the reserve army. The downward scaling to local government and the creation of the local co-ordinating committee has created tensions around responsibilities and political priorities between the main institutions charged with activation – local government and the Regional Labour Market Councils. The SILM may become the model for the whole system and the current 'experiments' and innovations through the Committee are potentially shaping a new welfare discourse and system for activation. There is the possibility of merging the two systems (social assistance and unemployed insurance) as well as completely restructuring the unemployment insurance system taking control away from the trade unions. There are other 'actors' within the labour market policy arena such as the North Jutland Objective 2 Programme (through the management of the ESF programme) which covers an area of North Jutland combined with the County Council. This growth coalition is shaping an agenda that gives greater priority to industrial policies and less prominence to activation as the key vehicle for regenerating the local economy. It is evident that there are competing and conflicting social agendas which comprise an important class dynamic in relation to the way a more liberal and market policy (such as a competitive city and regional politics) is challenging the social democratic 'consensus' (such as training and upskilling).
Social Democratic consensus is still dominant within the city although being severely challenged.

Many aspects of redistribution are embedded in the strategies of the local authority but they are under severe pressure. The Social Democratic Party that for 50 years had a completely dominant control of the local authority no longer maintains this position. Whilst still the majority party, it is dependent on some of the smaller bourgeois parties to maintain a ruling position. This has led to the imposition of a more liberal political culture and more recently (2002-2003) cuts in social programmes. Compared with Sheffield, the local government is still the main provider of welfare services. There are pressures as a result of globalisation to create Aalborg as a competitive space for accumulation. There has been a distinct shift in the governance of the city region with the increasing importance of quango bodies such as the Labour Market Council and the Industrial Council – the latter reflecting the increasing importance of industrial policy in the promotion of inward investment. Activation as such is being developed more closely with business promotion and the social objectives of training are taking less prominence.

In Aalborg, depoliticisation is reflected in the way the corporatist institutions operate as well as the shift towards an increasing influence of non-directly elected institutions. The shift towards a consensus politics, which emerged during the 1990s, has in fact been accompanied by a commensurate decline in political debate about the planning of labour market policy. The Regional Council’s social partners have been told to agree with each other by central government or their competence will be withdrawn. The effects of this as outlined in Chapter 8 have been to make the planning process a technical exercise and to give less priority to more contentious items. There are two examples of this: the
decline in the use of job rotation and equality agendas activation programmes.

Furthermore, lines of accountability have been blurred which has reinforced the removal of day to day decision making from the political process (Jørgensen 2002:186). In a similar fashion to Sheffield, the process of depoliticisation serves to exclude voices and representations within the institutions and partnerships. Only certain interests are guaranteed to be articulated.

“Constructing a Politics of Place” in Sheffield and Aalborg: Some critical reflections

David Harvey has argued that the class struggle “all too easily dissolves into a whole series of geographically fragmented communitarian interests, easily co-opted by bourgeois powers or exploited by the mechanisms of neo-liberal market penetration” (Harvey 1998:64). This argument assumes that as a result of neoliberalism and the emergence of competitive cities, coalitions will cut across class lines and the requirement to compete for mobile capital will over rule other conditions. The implications are that labour will make concessions in order to support strategies that make for more ‘prosperous’ places. This is an oversimplification of the link between the social and spatial. Aalborg represents a good example of communitarianism and the politics of consensus steering through institutionalised corporatism. Indeed the increasing economic difficulties which the Aalborg and North Jutland economy has faced with rising unemployment and declining employment opportunities has shaped the local TUC strategy towards engaging in industrial policy through the Aalborg Industrial Council. The leader of the TUC has stated that there are clear limitations to active labour market policies and encouraging employment growth is important. The unions on the
one hand are engaged in competitive bidding through the various partnerships for public
and private sector resources in order to regenerate the local economy. But this is not the
only scale which a political strategy about jobs is being conducted. In fact, the same
union leader placed considerable emphasis on the importance of the negotiation and
politics within the labour movement about a national TUC strategy towards a more
sustainable employment policy. The argument put forward by Aalborg TUC is that
innovation and progressive politics originate from local strategies around labour market
and welfare policies.

However, at the same time, the pursuance of locally based consensus politics has
played an important role in the overall strategic orientation of various unions in Aalborg.
This is both place and ideologically conditioned around a notion of the ‘Danish way’ of
negotiation. Alongside this collaboration and attempts to compromise with the other
social partners is a mobilisation which is oppositional to dominant discourses. This is
reflected in the politics of the City Council (shaped by the left wing of the Social
Democratic Party) around promoting equality in gender and ethnicity and small scale but
effective social movements of the unemployed in challenging some of the ‘activation’
schemes around the unemployed.

In Sheffield, quite different social and political relations occur within the partnerships
engaged in the implementation of employment and labour market policy. The local
trades council has not contested the exclusion of the trade unions. In fact that there is
an ambivalence towards engaging in ‘urban’ policies primarily because they are not
seen as a priority in the face of privatisation and redundancies in the city. The workplace
is the primary scale in which the unions are active and mobilising. Nevertheless, within
the town hall and other social institutions, the unions provide an important mobilising ‘back cloth’ in the construction of local politics.

The voluntary sector has become the major social force in negotiating area-based policies and resources. There are tensions between the unions and voluntary sector because of the consequence of government policy off loading many social and welfare services on to this sector. But, as expressed by a co-ordinator of South Sheffield Partnerships – a coalition of voluntary organisations covering the south inner city area - this sector has been engaged in intense struggles against the cutting of budgets and towards the city council over mainstream funding. Many activists in the voluntary sector were employed in manufacturing and there is certainly a legacy of trade union consciousness although not unionisation within this sector. Within Sheffield First Partnership, there are tensions between ruling elites over how policies are being delivered. At one LSP meeting the (New Labour) leader of the City Council promoted the council as the body in the city accountable to the electorate. At the same meeting the Neighbourhood Renewal Strategy was questioned as being too dominated by the City council. This serves to illustrate that a politics of place is imbued with tensions and contradictions.

Returning to the Research Questions – Creating New Local Welfare Spaces?

A New Mode of Social Regulation?

The argument put forward in this thesis is rather than a new regulatory ‘fix’ emerging, it is possible to consider the changes as reflecting a more deepening crisis and process of
restructuring of capitalist welfare states. What is occurring is a reproduction of the contradictions, which have been inherent in the development of the KWS. Workfare is in fact a logical development upon the way the UK KWS has been constructed in relation to the male bread winner model in social policy (see Hughes 1998). In Denmark workfare was in many ways a strategically significant shift away from traditional social democratic Nordic principles of benefits acting as a buffer against poverty and the construction of welfare policies where the market and private sector had a more pronounced role. Nevertheless this shift was configured in such a way that it retained many features of the original model.

Also, an understanding of crisis theory as an explanation of change (see Clarke 2001) illuminates that there are processes which are underway that are causal to crisis as well as ‘counter’ mechanisms for restoring renewed accumulation and profitability (Chapter 2). Crisis theoretical perspectives consider that neo liberalism is a strategy for overcoming the problems of overaccumulation and mobilising counter tendencies to the falling rate of profit as a result of a rise in organic composition of capital (increasing ratio of capital investment in relation to labour).

As Grover (2002) suggests, workfare comprises an important economic tool in relation to increasing labour supply and thus the reserve army of labour and reducing labour costs and inflation. The knockon effects in relation to the bargaining power of labour, which is one consequence of expanding the reserve army of labour, have not been explored in the literature on labour market policy but it can be assumed that there will be impacts on the strategies of unions. As the reduction of trade union strength was associated with the major assault on workplace bargaining rights by the UK Thatcher
governments and was combined with deflationary economic policies which increased unemployment, the New Labour government has used workfare to expand labour supply in the context of relative employment growth. In Denmark these policies worked to similar effects except within the parameters of a quite different balance of social forces as under the austerity policies of the 1980s, trade union membership increased. However the central dilemma of reducing ‘unemployment’ and managing the reserve army for both Danish and UK (and other European) governments is when growth and rates of accumulation slow down and the task of mobilising and managing large swathes of worklessness becomes increasingly problematic.

The transition from a KWS to a SWS should be therefore seen as a process of restructuring rather than a regime shift. One way of highlighting this point is to consider the role of agency and social mobilisation in the restructuring process.

The Role of Political Agency

Gramsci’s work is highly influential in contemporary critical social and human geographical theory. The notion of hegemony as outlined in chapter 2 encapsulates a theory of power but also how power configurations arise in the first place through social struggle. In his review of Gramsci’s work, Andersen (1977) states that “Gramsci started from certain constant connotations of the concept, which he derived from the Comintern tradition. For the first instance, the term refers in his writings to the class alliances of the proletariat with other exploited groups, above all the peasantry in common struggle against the oppression of capital” (Andersen 1977:19). Gramsci suggests that social and political change involves the formation of alliances between and across social classes.
which has always been a feature of politics and struggle. It will also involve social action and social actors who will contribute towards change in particular ways.

From this perspective, as analysed in earlier chapters the construction and configuration of the UK and Danish welfare states (or settlements) arises historically from relations between capital and labour and their respective patterns of social mobilisation and struggle. For the UK this was from the perspective of labour in terms of defining its role in relation to the workplace where trade union intervention outside the workplace would be through parties participating in the representational political process. This segregation of interests is rooted in the voluntarist tradition in which collective bargaining is based on non-interference from the state. Whilst in reality trade union struggles have inevitably crossed over to wider social and political questions, this orientation in terms of the labour movement helps to set in context contemporary dynamics of union involvement with labour market policy and corporatist relations and traditions (see Hyman 1989). Social movements grew in relation to and as a response to the expansion of welfare often involving both advocacy and self-help. From the side of capital their interest in the welfare state was shaped by connections and the pursuance of interests in relation to colonialism, the dominance of financial interests in the economy during the post war period and their hostility to labour’s self organisation. In contrast, the Danish welfare state was born out of a longstanding ‘liberal’ culture within the peasant and artisan movements of the 19th century. The intense conflict between labour and capital over employment rights during the end of the 19th century also shaped agreements about political representation and social welfare provision including labour market policy and unemployment insurance. A politics was formed also based on voluntarism with limited state involvement in employment relations, but which also involved co-
determination between the representatives of labour and capital. Social movements were also involved with the formation of the Danish welfare state but these were closely tied to (and indeed influenced) the development of the Social Democratic Party. Their involvement was in the form of a ‘user’ movement whereby working class organisations had direct access to influencing welfare and social policies. The Danish ruling classes considered a developed welfare state important because it guaranteed overall social stability and infrastructure for sustained accumulation. Generous unemployment benefits helped to make labour flexible as it enabled employers to use it as a way of maintaining a reproduced supply of labour in times of recession.

One of the key features of neo liberalism is changing these power relationships. This involves a changing relationship of class and social forces, which is uneven and unpredictable. It involves a shift in hegemonic relations which favours certain class interests – specifically financial capital (see Jessop 2002) and a realignment of “policy actors” (Taylor-Gooby 2004). Pressures have been brought to bear towards commodification in the provision of services in order to provide an outlet for over accumulation (Clarke 2001). There are differing impacts in the UK and Denmark. Despite the overall assault against labour in the UK many areas of social, welfare and health policy are subject to trade union mobilisation and this includes the provision of the New Deal for Unemployed and forging an agenda around skills and workplace training. However the lack of a profile and advocacy in relation to welfare to work has important consequences about how the New Deal is going to take shape in the future. A lot will depend on the role of voluntary sector in the implementation of social and employment policies. Many organisations actively lobby for services which were once performed by the state but at the same time are caught up with contesting the level of resources which
are allocated for service provision. In Denmark the reverse is the case where the trade
unions are the key actors on the part of subordinate classes within the labour market
programmes. The current Liberal-Conservative Government is engaged with an attempt
to restructure corporatist relations and also include more privatisation in the provision of
employment services. Welfare services are subject to cuts, benefits restructured and a
less inclusive labour market policy is taking shape. At the same time sections of the
trade unions, social groups and movements are resisting new initiatives and producing a
new discourse around government responsibilities towards sustainable employment.

The Role of Space and the Local in the Construction of Welfare and Work

A key issue of the research is in what way are cities/localities governance regimes
modifying welfare to work and in turn reshaping national and supranational agendas.
The locality studies of Aalborg and Sheffield have provided insights into the dynamics
and problems in the implementation of activation and workfare politics. As the city is a
key site of economic social and political strategies occurring at different scales an
analysis of welfare to work requires a space sensitive approach – by recognising the
rescaling character of the state.

A central argument of the thesis is that capitalism is inherently contradictory and uneven
in its development. Space is used in different ways by accumulation strategies which
involves some spaces and places experiencing growth whilst others are characterised
terms geographies of class interest because social mobilisation occurs in order to
respond to and reshape processes of restructuring. This involves the mobilisation of
territorial coalitions around a "politics of uneven development" (Cox 2004:254). In the study of Sheffield and Aalborg there are the strong elements of a politics of uneven development where coalitions are involved with strategies attempting to attract inward investment, redesign labour market policy programmes including the adaptation of welfare to work to these strategies. The evidence of both Sheffield and Aalborg suggests that these coalitions involve tenuous and even fragile links between the various social actors. Furthermore, the politics of uneven development are messy, imbued with tensions and contradictions. As Hudson emphasises place is the intersection of different strategies and some of these may be variants of neo liberalism and neo keynesianism. In Aalborg the trade union involvement with the Industrial Council is conditioned by a politics of sustainable employment to counteract rising unemployment in the city and North Jutland. The formation of a politics of industrial development for the city and the region is taking more centre stage and becoming a dominant focus for regeneration replacing welfare to work as the original key mechanism for economic growth. The struggles for new employment growth are also shaping attitudes to current local activation schemes. In many respects there is a search for alternatives to workfare even whilst there is tacit support for the workfare programmes. The politics of uneven development involves various strategies within the city regions that are tackling different aspects of economic and social restructuring.

In Sheffield the Sheffield First Partnership is involved with city "boosterism" through large-scale building and infrastructure projects in the city centre and the construction of science parks. In contrast with the previous politics of the 1980s the Partnership is constructing a dominantly market orientated growth strategy with labour market policy designed to link with inward investment. A key element of this strategy is the constitution
of a new representational regime, which marginalises the city council and insulates policy debate from the public arena. This process of depoliticisation is in marked contrast to the way economic and social policies were given a prominent focus for debate within the city council, which was the key institution for formulating regeneration for the city.

There are Keynesian demand led strategies which have been formulated as a consequences of recognition of the limitations of the New Deal. Examples include job match in relation to construction, and Step Up relating to employment based transitional labour market programme and oppressive workfare and neo liberal authoritarian regime through the Job Centre Plus. Finally there are elements of communitarianism in the form of area based community sector led projects. All these programmes are subject to contestation and negotiation. The voluntary sector in Sheffield has been drawn into the representational regime of Sheffield First Partnership but there are constant battles over funding and policy priorities – in particular between economic and the social investment.

The case studies illuminate the role of space and place in three areas. First in terms of politics and agency. Harvey’s concept of struggle and place involves an over simplistic notion of politics. People’s attachments to areas will shape their actions as identities are not aligned to either place or class; they are probably constructed out of both, as well as a whole complex of other things, most especially race and gender. It is simplistic to assume that the Aalborg trade unions in their participation in the corporatist growth alliances will forego their own determination to advance their interests in the work place. In Sheffield representational politics are exclusionary in relation to the trade unions and some voluntary sector organisations but those excluded find their voice in other arenas.
Social mobilisation in Sheffield and Aalborg involved jumping scales so that it is difficult to identify a purely 'local politics.' The second area questions a traditional view about the dual state where the central state functions around economic intervention and the local is mainly involved in social reproduction. The local is a site for economic and social intervention with both becoming more and more interconnected (Cox 2004).

The third area involves a more strategic concept of localisation in relation to neo liberalism. Gough has argued that local neo-keynesian type of strategies and ‘progressive’ forms of non market co-ordination exist under neo liberalism and this seems a paradox given that neo liberalism is antagonistic to this form of state intervention. In fact neo Keynesian local strategies can be accommodated by national neo liberalism as they actually provide the forms of non market co-ordination which sustains neo liberal strategies. This is true but misses a crucial point about the relationships between local and national. Many struggles and strategies that are being formulated at the local level are also not confined to this scale. Neo Keynesian or other local strategies as a politics of uneven development are struggles that both accommodate and contest neo liberalism and represent inherent problems and tensions in this form of non market co-ordination. The local in this way acts to mediate and modify strategies. Sometimes they will be even more neo liberal or more Keynesian than intended at the national level. In both the case of Aalborg and Sheffield conflicts break out over neo liberal policies which leads to various forms of politicisation that challenge national policies. In Aalborg for example struggles over activation and integrated training through job rotation are important symbolically in a way that mobilises social interests against a more market driven labour market policy. In Sheffield the New Deal is undergoing various crises, which is being highlighted by the barriers of access to the
labour market by marginalised groups such as BMEs and women. This is leading to a loss of consent by many groups about the way welfare to work will combat social exclusion (Etherington 2004).

Overall Conclusion

It is possible to identify four main features of emerging new local welfare spaces as constituting what can be considered as a dominant neo liberal politics of uneven development. First is the more complex spatial architecture of governance, the increasing role for the private sector and contracting in service delivery and new forms of representation which include and exclude social actors but is underpinned by depoliticisation. This means that welfare to work is evolving as part of a privatisation agenda and an increasing role for the market in managing the reserve army of labour. Second, institutional fragmentation is accompanied by a dynamic, which pursues more co-ordination and policy integration. This is where labour market and workfare regimes are increasingly being linked to economic growth strategies. The third feature is what can be considered as contested spaces as geographies of class plays an important role in the constant transformation of the socio-political landscape. Neo liberalism is being played out in different ways between and within localities and it is this factor which underlines that way that legacies of welfare are being defended against neo liberal strategies. Legacies of social redistribution which exist in the more neo liberal dominated political landscape such as Sheffield are due to the way restructuring is being contested and where resistances are successfully ensuring continuities within institutional politics. The fourth aspect, and which runs through the above three features is that new spaces of welfare are imbued with contradictions that are being worked out in unpredictable
ways. A key one in relation to welfare to work is the limits and challenges imposed on workfare through the dynamics of economic restructuring which giving rise to increasing unemployment, worklessness and poverty in local labour markets (see Peck 2004:222). This may be the key source of instability and crises of the new welfare spaces.

The thesis argues that these characteristics of new welfare spaces need to be explored in more detail, which suggests a research agenda to examine the relationships between the local and other scales within a broader critique of welfare state restructuring. A central theme of the research is that policies are contingent on social struggle and that the form and shape of the new welfare spaces will be configured by social mobilisation. In other words future research needs to place more emphasis on how organisations of working and subordinate classes and social groups articulate their demands and discourses around such issues as the distribution of work, sustainable jobs, equal opportunities and a socially just labour market politics.
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APPENDIX 1 ORGANISATIONS CONTACTED/INTERVIEWED IN CONNECTION WITH UK/SHEFFIELD CASE STUDY.

Centre for Economic and Social Inclusion, London.
Interview with Director.

Citizens Advice Bureau, Debt Advice Service.
Telephone interview with Advice Worker.

Crookes Advice Centre.
Interview with Advice Worker.

Telephone interview with Senior Officer.

Former Director of Employment Department, Sheffield City Council.
Interview.

Former Senior Manager Employment Unit, Sheffield City Council.
Interview.

Job Centre Plus – Sheffield.
Interview with Senior Policy Officer.
Manor Development Trust.

Interview with Development Worker.

Norfolk Park Community Association.

Interview with Chair of Management Committee

Trades Union Council - Economic and Social Affairs Department, London.

Interview with Head of Economic and Social Affairs Department.

Public and Civil Service Union, Members of Sheffield Executive Committee

Interview.

Public and Civil Service Union.

Interview with member of National Executive Committee.

SCOOP Aid South Yorkshire (Lone Parent Organisation)

Interview with Development Worker.

Sheffield Centre for Full Employment.

Interview with Research Officer.

Sheffield City Council: Community Partnerships Unit.

Telephone interview with Policy Officer

Education Department, Employment Unit.

Interview with Head of Unit
Works Department, Training Section.

Interview with Head of Training Section.

Sheffield First Partnership

Interview with Executive Board Member.

Sheffield Hallam University, Centre for Regional Economic and Social Research (CRESR).

Interview with Principal Researcher.

Sheffield Positive Action Training – Consortium.

Interview with Director.

Sheffield Trades Union Council.

Interview with Delegate.

Sheffield Unison Branch

Interview with Branch Member.

Sheffield Women’s Forum.

Interview Member of Management Committee.

South Sheffield Partnerships.

Interview with Project Officer
South Yorkshire Learning and Skills Council.

Interview with Acting Chief Executive

South Yorkshire Objective1, European Social Fund.

Interview with Policy Officer

Yorkshire and Humberside Regional TUC.

Interview with Secretary
APPENDIX 2 ORGANISATIONS CONTACTED/INTERVIEWED IN CONNECTION WITH DENMARK/AALBORG CASE STUDY.

Aalborg Kommunen Arbejdsmarkedafdelingen (Aalborg City Council Labour Market Department), Aalborg.
Interview (s) with Senior Policy Officer.

Aalborg Kommunen Ligestilling Kontor (Aalborg City Council Equal Opportunities Unit), Aalborg.
Interview with Head of Unit.

Aalborg Lands Organisation (Aalborg Trade Union Council), Aalborg.
Interview with Chair.

Arbejdsformedlingen (Employment Service), Aalborg.
Interview with Senior Officer.

Arbejdsledig i Danmark (AL) Unemployed Workers Association, Aalborg.
Interview with activist.

Arbejdsmarked Udannelse (AMU) Nord Jylland (North Jutland Labour Market Education Council), Aalborg.
Interview with Training Officer.

Arbejds Oplysning Forbund (AOF), Workers Educational Association, Aalborg.
Interview with Tutor and Manager of Aalborg Branch.
Formand og Byrådsmedlemmer Ligestillingudvalget (Equal Opportunities Committee), Aalborg City Council.

Interview with Chair of Committee

Kommunernes landsforeningen (National Local Government Association), Copenhagen.

Interview with Senior Policy Officer

Nordjylland Arbejdsmarkedråd (North Jutland Labour Market Council), Aalborg.

Interview with member of Board

Nordjylland Amt, Erhvervs og Beskæftigelsers Afdelingen (North Jutland County Council Industrial and Employment Department), Aalborg.

Interview with Head of Department.

Pædegogiskmedhjælper Forbundet (PMF) (Nursery Workers Union) Aalborg.

Interview with Secretary of Unemployment Insurance Fund.

Aalborg University Center, Centre for Labour Market Research (CARMA).

Interview with Researchers.

Aalborg University Center, Centre for Feminist Research.

Interview with Lecturer.

University of Copenhagen, Department of Geography.

Interview with Research Assistant.
University of Copenhagen, Department of Sociology.

Interview with Lecturer.

Roskilde University Center, Institute of Sociology.

Interview with Professor of Sociology.

Special Arbejder i Danmark (SID), (Unskilled Workers Union), Aalborg.

Interview with Unemployment Insurance Fund Worker.
APPENDIX 3 EXAMPLES OF INTERVIEW SCHEDULES USED IN THE SHEFFIELD AND AALBORG CASE STUDIES

INTERVIEWS SCHEDULES FOR SHEFFIELD

Questions for Job Centre Plus

Partnerships

1. I would like to have some background on the former New Deal Venture Partnership, its functions, partner members and roles. What were the key problems identified with the working of this partnership?

2. I believe the changes from the Venture Partnership to the New Deal Strategic Partnerships are connected with the Government’s Strategic Partnership initiative. Is this correct? How does this differ from the previous arrangement?

3. What is the composition of this partnership in terms of partners/interests? Is there equality in representation between community/trade union and business/government representation. How are the partners co-opted on to the Board?

4. What is the day to day work of the Partnership in relation to the New Deal and other labour market/training programmes?

5. Are there equal opportunity and social inclusion objectives in the working of the partnership?
The operation of the New Deal in Sheffield

1. Can you provide me with data on participants on the New Deal broken down by public sector, private sector and voluntary/community sector?

2. What proportion of New Deal participants are in schemes run by the council and health service?

3. I would like to make comparisons between Sheffield and the national experience as well as with other areas. Is it possible to get this data broken down by public, private and voluntary sector?

4. What is the composition of participants by minority ethnic group and gender in Sheffield?

5. Has there been any evaluation research on the outcomes of the New Deal in Sheffield in relation to outcomes in terms of 'permanent jobs' - sectors, types of jobs, training, skills development and pay etc?

6. Is there any available information on of basic skills as well as qualifications obtained by New Deal participants.

7. Is it possible to get some qualitative as well as quantitative information on the role of the Gateway?
8. How do you work with partners? Which are most significant in delivering the New Deal

Questions for the Womens Forum (WF) (and South Yorkshire Womens Development
Trust (SYWDT))

1. Can you tell me something about the history of the WF in Sheffield?

2. What are the main sources of funding for the organisation?

3. Is it run by a management committee? Who is involved and from what areas/interests?

4. What is the relationship between the WF and SWDT?

5. Could you provide written documentation on the activities of the WF and SWDT (e.g. relating to the Conference held in Sheffield)?

6. What is the role of the WF in relation to the Sheffield First Partnership in terms of representation and developing policy around women's issues.

1. What activities have the WF SWDT been involved with or planning in relation to training and the labour market.
2. Has the WF had any engagement with the New Deal? If so what? How would you view the success of the partnerships relating to the New Deal?

3. Is there any joint work with other organisations (e.g. Scoop Aid) around gender issues? If so how successful?

4. Does the WF have any involvement with the trade unions or Sheffield TUC in relation to employment issues? If so what?

Questions for Sheffield City Council

Skills and Employment Programmes

1. Can you describe briefly the main programmes relating to the unemployed (New Deal) and Skills Development of those in employment.

2. Does the Employment Unit have an input into the development of in house skills development training within the Council. If so how?

3. Can you highlight the link between this work and Social Inclusion Strategy – For example are there targets in relation to gender and ethnicity?

4. How are the programmes monitored and evaluated?

5. Are there programmes which have inputs from the trade unions and community sectors as equal partners? How effective are these?
**Policy Development and Decision Making**

1. What is the role of elected members in deciding priorities in relation to the work of the Employment Unit? Is there a regular strategy report with specific targets?

2. There are numerous partnerships operating in the City relating to Employment Development. Which partnerships have representation from the City Council (and why) relating to the work of the Unit?

3. In what way if any can these partnerships influence employment development policy agendas? Any examples?

4. In what way (if any) can the work of the Unit influence policies and programmes relating to the New Deal? For example, have there been any representations about the operation of the New Deal in terms of the Environmental Task Force and ILM, has it been discussed about the possibilities of using the New Deal in other ways within the Council?

5. What is the connection between the Employment Unit and the SY Objective 1 Programme in relation to labour market policies?

6. Does the RDA (Yorkshire Forward) operate programmes which impinge on the work of the Unit? Can you provide examples?
Questions for South Yorkshire Learning Skills Council

The questions are set around specific themes.

Representation and accountability

1. Who is on the LSC Board and how were they elected/appointed?

2. What role do they have in relation to LSC policy making?

3. Which partnership organisations is the LSC represented on and why?

4. Does the LSC involvement with partnerships influence the agendas of the LSC? Any examples?

5. Does the LSC representation on partnerships influence the work of those partnerships in relation labour force skills development – any examples?

6. What are the channels of communication between community and trade union sectors and the LSC?

7. Which community and trade union organisations have regular contact with the LSC?

Decentralisation
1. How does the LSC operate in relation to Central Government? For example does the 
LSC produce a skills and labour market plan in relation to South Yorkshire for 
approval? What is the process of decision making in relation to setting targets? What is 
the process of monitoring by Central Government Departments?

2. Does the LSC have an input into the RDA strategy in relation to skills and labour 
market policies? Can you provide examples? To what extent are you able to influence 
policy?

**Policies and Programmes/Social Exclusion and Equal Opportunities**

1. Can you briefly outline the main skills and training programmes run by the LSC?

2. What link if any is there between Welfare to Work (New Deal) and training/skills 
programmes operated by the LSC?

3. What proportion of training/skills programmes are in the public/private sectors?

4. What training programmes are conducted in workplaces where there is trade union 
recognition?

5. In workplaces where there is no trade union recognition how is employee 
representation developed in order to establish their input into training and skills 
development (if at all)?
6. Does the LSC have an equal opportunities and social inclusion plan? Are there targets set? How is it established and monitored? For example is there a consultation process and who is involved?

7. What is the ethnicity and gender composition of programmes run by the LSC?

8. Are there actions for reskilling/intergration of those outside the labour market but not registered unemployed (and outside the welfare to work programme)– e.g. house carers, young people just entering the labour market?

INTERVIEW SCHEDULES USED FOR THE AALBORG CASE STUDY

Questions for Aalborg Kommune

Organisation

1. Involvement with Nordjylland RAR – how many members of the council (kommun) are on the RAR.? What is the process by which they present the views of the council on the RAR?

2. Can you give examples where there have been disagreements between Aalborg's interests and others including the unions and employers.

3. How has the council organised itself internally in order to develop its labour market policy and administer its activation? Have you any documentation?
Activation

1. Can you give me detailed information on the activation policies by the local authority directed towards the insured and uninsured unemployed since 1996?

2. I would like to make comparisons with other local authority activations. Is it possible to compare with other major cities such as Esbjerg, Aarhus, Odense, Copenhagen, Kolding?

3. The most recent initiative has been the rummeligt arbejdsmarked. Could you provide some information on Aalborg’s role and the partnerships that have been created?

4. Aalborg is also implementing the Kvarterloeft. Have you information on the social marginalisation of people in the Kvarterloeft area? What is the relationship between the labour market activation of the kommun and RAR with the kvarterloeft experiment?

5. What has Aalborg council’s involvement been with job rotation? Have you any details relating to numbers and examples of good practice? Are there plans for more initiatives?

6. Can you explain what the main labour market policy changes introduced by the new Liberal Conservative government?

7. What are the estimated impacts?
8. What is the response of the council?

Questions for Aalborg Trades Union Council

What is the role and particular relationship of the Aalborg LO in formulating labour market policies (arbejdsmarked politik formulering) with other labour market institutions in Aalborg

1. With the Nordjylland RAR
2. With Aalborg Kommune
3. With Arbejdsformedlingen

1. Are there any examples where there have been conflicts between the Aalborg LO and other members of the RAR over labour market politics?

2. What has been the effect (paavirkning) of labour market policy changes on (1) role of trade unions. (2) Membership of trade unions.

3. In the formulation of Aalborg LO policy what are the most important decisions made over the last three years in relation to labour market politics. (Any documentation-oplaege?)

4. What tactics and actions have the Aalborg LO undertaken when in disagreement (uenighed) with the government? Any examples?
5. I am aware that the trade unions see that Job Rotation is an important labour market instrument. What actions have the LO taken to maintain (oprethold) its implementation in Aalborg?

6. What are the main disagreements between the different trade unions over labour market policy within the LO? Have you any examples? (for example SID has been against workfare politics since the early 1990s). Are there example of different trade union resolutions in relation to labour market policy. (fagforegning afdeling beslutssomhed)?

7. The new initiative Rummeligt Arbejdsmarked is seen as important for the Government – what is the Aalborg LO's role in this?

8. Have you any examples where there are models of good practice and progressive agreements between unions and employers in Aalborg in relation to training?

9. The new government is a move to the right over labour market policy (and other social policies). What are the main issues (emner) and how is the Aalborg LO responding?

Questions for PMF (Nursery Workers Union) Unemployment Insurance fund

1. Could you explain how the new labour market reforms are going to impact on the operation of the Insurance funds?

2. Has the PMF union made any responses in relation to this?
3. I am interested in the position of women in the labour market – what are the trends in relation to women's membership of the insurance fund?

4. Can you explain the type of barriers and difficulties that arise in relation to women getting back into the labour market?

5. Do the current activation programmes help women return to the labour market – if not what are the reasons?

6. What are the key problems and issues from the perspective of the PMF in relation to influencing activation programmes?

Questions for the North Jutland Regional Vocational Training Council (AMU)

Can you give me details of the vocational training programmes that are being run by the AMU North Jutland

Can you tell me what changes have taken place in the past 2-3 years in the development of funding courses?

I am interested in women's participation in training. What courses are popular with women?
7. Can you explain how the different trade unions work together in relation to labour market policy in Aalborg/North Jutland?

8. What problems are there in relation to joint working? For example are there different priorities and perspectives – can you give me any examples?

Questions for the Regional Vocational Training Organisation (AMU)

1. Can you give me details of the vocational training programmes that are being run by the AMU North Jutland?

2. Can you tell me what changes have taken place in the past 2-3 years in the development and funding of courses?

3. I am interested in women’s participation in training. Which courses are popular with women?

4. Are there initiatives to develop training in areas where women are under represented such as construction and engineering?

5. In what way are the current reforms going to impact on AMU’s responsibilities? Can you give me any examples?
APPENDIX 4 UNPUBLISHED MATERIAL FOR SHEFFIELD CASE STUDY

(http://www.dfee.gov.uk/actionteams/details.cfm?TID=71.)


Objective 1 Directorate (nd) An introduction to Objective 1 South Yorkshire: Making the breakthrough in South Yorkshire, Wath on Dearne Rotherham: S.Y. Objective 1 Directorate.


Sheffield City Council (1982) Tackling the employment Crisis – A New Initiative, Sheffield: Sheffield City Council.

Sheffield City Council (1984) Steel in Crisis, Sheffield: Sheffield City Council.


APPENDIX 5 UNPUBLISHED SOURCES FOR AALBORG CASE STUDY


Aalborg Kommune (2001c) *Hvor meget er kvinders arbejde værd?* (How much is women's work worth?) Aalborg: Aalborg Kommune Ligestillingsudvalget.

Aalborg Kommune (2001d) *Ligestillingsredegoerelse*, Aalborg: Aalborg Kommune,


Aalborg Kommune (2002b) *Lokal politik og handlingsplan for det rummelige arbejdsmarked for Aalborg Kommune* (Local policies and programmes for the SILM for the City of Aalborg), Aalborg: Aalborg Kommune.


LO-Aalborg (2001b) Ansøgning til Koordinationsudvalget for den forebyggende arbejdsmarkedindsats i Aalborg Kommune, (Application to the Coordination Committee for the preventative labour market measures in Aalborg ), Aalborg: LO.

