

Partnership and Governance

*Local multisectoral collaboration
on active social policy in Denmark*

Bodil Damgaard

*The Open Labour Market
Working Paper 13:2002*

Working Paper

Socialforskningsinstituttet

The Danish National Institute of Social Research



Partnerships and Governance

Local multisectoral collaboration on active social policy in Denmark

Bodil Damgaard

*The Open Labour Market
Working Paper 13:2002*

The Working Paper Series of The Danish National Institute of Social Research contain interim results of research and preparatory studies. The Working Paper Series provide a basis for professional discussion as part of the research process. Readers should note that results and interpretations in the final report or article may differ from the present Working Paper. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including ©-notice, is given to the source.

The Study

The Danish National Institute of Social Research is carrying out a research programme on the Open Labour Market, which is concluded in 2003. The programme is initiated by the Ministry of Social Affairs.

Parallel to a flourishing international debate about governance, public-private partnerships related to welfare provision have received increasing attention empirically and theoretically. This article argues that despite a common national legal framework, local modes of collaboration (partnerships) are implemented in distinct manners creating different potentials and obstacles for local governance. It also implies that unemployed persons in equal situations are offered different (active) social political measures. Using case studies of local multisectoral collaboration on labour market related social policy – active social policy – in Denmark, three models of cooperation are outlined and their consequences for governance discussed.

The working paper is written by researcher, Ph.D. Bodil Damgaard, the unit of the Open Labour Market.

Contents

<i>The Study</i>	<i>1</i>
<i>Contents</i>	<i>3</i>
<i>Introduction</i>	<i>5</i>
<i>The partnership and governance debate</i>	<i>7</i>
<i>Governance, Partnerships, and Active Social Policies</i>	<i>9</i>
The Danish Context	10
<i>Local multisectoral collaboration on labour market related social policy in Denmark</i>	<i>12</i>
Approaches of local governments to multisectoral collaboration.....	12
Four parameters	12
Three approaches.....	14
Interest and capacity of local non-state actors	16
Three models of local collaboration	18
<i>Discussion: Consequences of partnership for governance</i>	<i>21</i>
<i>Bibliography</i>	<i>23</i>
Working papers published by the Danish National Institute of Social Research since 1.1.2002	27

Introduction

In a variety of policy areas, partnerships have been introduced as an essential remedy to solving issues on the public policy agenda. Partnerships have flourished in areas such as healthcare, education, energy provision, and employment policy to mention just a few. Most of these partnerships are project-oriented meaning that they have a defined goal, a set budget, a specific timeframe, and a definite number of partners.

Project partnerships raise their own challenges to local and national governments regarding management and efficiency. However, the challenges that stem from *process partnerships* may be rooted even deeper since they touch upon basic structures of societal regulation. Process partnerships may be characterised as multisectoral collaborations that operate at the local level towards solving public policy objectives without precisely defined and operationalised goals, budgets, timeframes or lists of participants. By this definition process partnerships distinguish themselves from project partnerships as well as from public-private arrangements that provide solutions to specific (typically outsourced) tasks such as elder-care or refuse collection. They are also different from broader corporatist-like pacts of social concertation because of their attachment to the local level, which permits that participants in partnerships about the same issues vary according to local conditions and decisions. Process partnerships reflect the decentralisation tendency that in recent years has swept through both empirical and theoretical expressions of public administration as a reaction mainly to neoliberal critique of the (centralised) welfare state, on one hand and on the other the new approach where governance is seen as processes rather than structures (Stoker 2000; Bogason 2000). Known in the governmental rhetoric as “new social partnerships”, process partnerships have since the mid-90’s attained an important role in that part of Danish social policy bordering on labour market policy.

This article reports from case studies of such process partnerships. The main argument is that in spite a common national legislative framework, partnerships show notably different characteristics when they are implemented at the local level. This raises important questions regarding the use of process partnerships as a means to governance and particularly which type of governance the various partnership models promote. The findings furthermore point to a missing link between the theoretical debates about partnerships and governance, respectively.

The partnership and governance debate

In social sciences, the quest to achieve an analytical and theoretical grasp of partnerships has developed parallel to the (new) challenge of understanding governance. Both the notion of partnership and that of governance have experienced a tremendous revitalisation in recent years and both concepts have been employed in a variety of ways using an array of definitions (Waddock, 1991; Linder, 1999; Rhodes, 1997; Pierre (ed.), 2000).

Despite evident intersections and common interests, the two bodies of literature tend to pay little attention to each other. Partnership writings are inclined to explore the interests and motives of different non-governmental actors to participate in solving societal tasks and problems. Private companies have been devoted particular attention (not least by governments) but studies have also comprised neighbourhood organisations, associations of patients, parent groups, labour unions etc. In contrast to this society-based focus on non-governmental actors, the governance literature has commonly started from a state-centred interest in government and regulation, although some contributions (e.g. Kooiman, 1993, 2000; 2001; Rhodes, 1997) take a more societal approach.

The partnership literature may be divided into three veins written from a management, an institutional and a sociological viewpoint, respectively. Within the first perspective, the stakeholder notion has gained popularity (e.g. Freeman, 1984; Post et al. 1996; Carroll and Buchholtz, 2000) as have collaborative approaches to human resource management (e.g. Kochan and Osterman, 1994; Osterman, 2000) and the concepts of corporate governance, corporate social responsibility and corporate citizenship (e.g. Maignan et al., 1999; OECD, 1999; Carroll, 1999). The institutional approach to partnerships (collaboration) argues that economic incentives are of less importance compared to motives such as legitimacy and organisational survival (DiMaggio and Powell, 1991; Suchman, 1995; see also Ackerman, 1975). Finally, partnerships have been viewed from a broader societal perspective that fall in line with writings on social contracts aimed at assuring social cohesion (e.g. Geddes, 1998; Nelson, 1996). The sociological approach reaches out to the governance literature but given the privileged treatment in that literature of companies as opposed to other groups and organisations in society, this approach has more in common with the partnership literature.

A parallel subdivision of the governance literature shows that it has primarily emerged from the fields of political science, public administration and, again, sociology. Notions

of crisis in the Western welfare state, whether understood as crisis in the economic, the political or the social and cultural system, have fuelled the debate (e.g. Offe, 1984; Crozier et al., 1975, Habermas, 1976; Bell, 1979; for reviews see e.g. van Kersbergen, 2000). Much of the governance discussion has revolved around three different concepts (structures) of government, i.e. hierarchy, market and networks. Mayntz (1993) aptly distinguishes between the three concepts when writing that “[m]arkets are characterized by the absence of structural coupling between the elements, hierarchy by tight coupling, and networks, by definition very loosely coupled, lie in between.” The debate has concerned both the issue of which of the three arrangements is the most adequate in a modern society as well as that of how to improve each of the models. The trend to decentralise top-heavy governmental structures, a hallmark of the 1980’s and 1990’s, may be seen as a method to enhance governance by paying attention to legitimacy and democracy but without leaving the concept of governmental regulation by hierarchical structures. In contrast, the almost parallel and equally widespread tendency of deregulation and privatisation is best understood as a move from hierarchy (government) towards market solutions paying particular attention to economic efficiency. Elements from both hierarchy and market are present in the network approach that has gained support in more recent times. Identifying the demand for more (local) democracy as a salient request in western societies, Bogason (2000:7) argues that today “the task of the analyst is not so much to understand the principles of the (public) organizations as to grasp the dynamics of interaction networks which may change from day to day”. Processes rather than structures and outcomes are consequently given major attention.

The focus on democracy and legitimacy as essential elements of governance is also a reaction to the trend within public administration that perceives governance as economic efficiency achievable by employing management instruments in the public sector (Osborne and Gaebler, 1992). The *New Public Management*-trend that emerged from the efficiency-proposals within public administration has been criticised on a number of grounds, first and foremost, as pointed out by Rhodes (1997:55), for its intra-organisational focus that ignores the complex environment in which public agencies work (see also March and Olsen, 1995). Governance, it is argued, is not merely a question of intra-organisational administration, but indeed a question of managing complex networks (Kickert et al., 1997a) that changes the role of government from being provider of social services to being facilitator of solving problems of provision. The focal point is thus not on internal administration, but on “the external functioning of the public sector and its legitimacy” (Kickert and Koppenjan, 1997:39). One consequence that subsequently is

being discussed is whether some other constellation or welfare mix is replacing the traditional welfare state (Kuhnle and Alestalo, 2000; Rein and Wadensjö, 1997).

Summing up, it is found that although the network literature is gaining foothold in the governance debate, little attention has been given to the variation of modes of collaboration that empirically take place under the network heading. These variations have importance for the characteristics of the governance that they promote. Likewise, the partnership literature tends to ignore the broader consequences of partnerships for public sector administration, governance, and the state (an exception is Rosenau, 1999).

Governance, Partnerships, and Active Social Policies

Active social policies border active labour market policies as they are directed at those welfare recipients who have some or all of their work capacity available. High and persistent unemployment in most OECD countries since the early 1970's has convinced scholars and politicians that although traditional "passive" measures such as unemployment benefits and early retirement pensions may ease the economic cost of joblessness felt by the individual, they do not contribute to solving the underlying problem. As an alternative, attention has shifted towards *active* supply-side measures – at least rhetorically if not in practice (Martin, 2000).

Implementing active social measures is clearly a very different task for public authorities than administrating passive income support systems. In order for the individual unemployed to be matched with the most adequate active measure, the administrating agency must handle detailed knowledge of the person's level of vocational education, job experiences, personal conditions, etc. as well as the range of instruments available. OECD (1998:28-9) identifies two levels in which employer involvement may operate. At the first level employers inform education and training agencies about their present and future needs for specific skills. Subsequently, employers may recruit trainees or provide work experience placements. The second level concerns the role of employers vis-à-vis unemployed with "considerably impaired employability" where training placements, work experiences, and jobs require financial compensations, e.g. subsidies. The distinction between these two levels may also be expressed in terms of social and labour market policies: the former is basically associated with supply-side labour market policies whereas the latter borders on (active) social policies.

The Danish Context

In Denmark, involvement of non-state actors along corporatist lines has for decades characterised policy making and implementation at the first level – labour market policies (Danish Ministry of Labour, 1996; Nørgaard, Mailand, 2000). A three-step labour market reform initiated in 1993 stressed decentralisation (to the county level) as a means to enhance and improve active labour market initiatives, but did not significantly change the composition of non-state participants nor the issues of collaboration.

In contrast, two innovations at the second level – active social policies – which were both launched under the auspices of governmental partnership rhetoric, have profoundly changed traditional policy making and implementation regarding (active) social policy. First, “Local Committees for Preventive Labour Market Measures” formed at the *municipal* level have been mandatory since the end of 1998. These committees serve as advisory boards for the municipal councils, which have financial and political authority regarding active social policy. The law stipulates that the committees are to be composed of local representatives appointed by the Danish Employers’ Confederation (DA), the Danish Confederation of Trade Unions (LO), the National Labour Market Authority (AMS – in practise a representative of the Public Employment Service (AF) that operates under the AMS), the Danish Council of Organisations of Disabled People (DSI), the Organisation of General Practitioners (PLO) as well as a member of the municipal council. Extra members may be appointed at the discretion of the municipal council. The involvement of non-state actors in local active social policy is novel for all parts. Hitherto, local social authorities have dealt with issues bordering on labour market policies, primarily activation of un-insured unemployed (i.e. unemployed who do not hold a private unemployment insurance typically because of lack of steady labour market experience) and rehabilitation of long-term sick employees. To this purpose the local authorities have commonly used public run institutions created for that specific purpose and have little experience working with the non-state actors on these matters. Likewise, the most influential members of the committees – the employer association and labour confederation representatives – have limited experience with social policy issues and have seldom collaborated with *municipal* authorities since the tripartite collaboration regarding labour market policies has taken place either at the national or the county level.

The second development is a push for increased direct involvement of *individual employers* (in addition to employers’ associations) in the implementation of active social policies. This strategy is strongly promoted by the Ministry of Social Affairs primarily

through a high-profile company-directed campaign, *Our Common Concern*, first launched in 1994 and regularly up-dated since (see e.g. Ministry of Social Affairs 2000). The approach reflects the Government's overall objective of involving more non-state actors in the provision of welfare (as for instance voluntary organisations with regard to elder-care, help for homeless, etc.).

The two developments within the active social policy are naturally intertwined and both will be found in any municipality. However, in terms of partnerships and governance it matters whether local governments predominantly decide to pursue (1) further involvement of non-state collective actors, (2) further involvement of individual employers, or (3) hesitates to do either, which means that the local authority continues to take prime responsibility for implementing active social policies. The first option may be identified as a strategy relying on process partnerships; the second has more in common with project partnerships, whereas the partnership notion is hardly applicable to the third. Using contributions from the governance literature, this division may be further nuanced: Referring to different levels at which strategies are applied, Kickert et al. (1997b) distinguish between what they call the game level and the network level. Strategies applied at the game level aim at "influencing the specific interaction process with regard to one issue or one problem" (p. 168). This would describe what is going on in a project partnership as, in the Danish case, when local governments seek to motivate the participation of individual employers in the tasks constituting active social policy. In contrast, strategies applied at the network level are broader as the intent is to shape "the rules, perceptions, values, the ecology of games arena, the ecology of games, the distribution of resources and the patterns of relations that are characteristic of the policy network as a whole" (ibid.). Bringing in non-state actors in process partnerships may be described in these terms.

The new role of non-state actors – or choosing the option *not* to give non-state actors a new role – in local multisectoral collaboration with regard to a given policy area raises a series of questions about our common understanding of the division of labour between the public and the private sector and as a corollary of local democracy. The remaining part of this essay will portray three different modes of local multisectoral collaboration on active social policy in Denmark and discuss some upshots of the findings with respect to the consequences of partnerships for governance.

Local multisectoral collaboration on labour market related social policy in Denmark

In much governance and partnership literature, the public part is considered one among other actors; a position that Kickert et al (1997b) refute. The four case studies of local multisectoral collaboration on labour market related social policy (or active social policy) in Denmark, which the following is based upon, support the notion that the governmental part has special (legislated) concerns making them more interested in collaborating than other actors. Indeed, the most important factor in explaining the specific characteristics of a given model of collaboration was found to be the approach applied by the local authorities. A second tailing although intertwined aspect, was found to be the disposition to participate by the most important other actors (individual employers, their associations and employees' organisations) as well as the organisational capacity of these entities to actually carry out their stated wishes for participation. Each feature is discussed in turn.

Approaches of local governments to multisectoral collaboration

A central concern of recent Danish active social policy has, as mentioned, been how to increase the involvement of enterprises, particularly private ones, in providing labour market solutions to relevant social problems. Reflecting this concern, the research concentrated on the collaboration between local governments and public and private employers. A relationship of this kind does not exist in isolation from larger structures of local collaboration; the first step of the endeavour to explore limits and potentials for government-company cooperation on active social policy was therefore to map out these structures.

Four parameters

The case studies suggested four main parameters that determine local governments' approaches to multisectoral collaboration. There is no claim made that the approaches are products of conscious decisions taken by the municipal council or the administration, let alone that other strategies may have been considered. Rather they should be perceived as the sum of actions and decisions taken within the policy area. The importance of each parameter in a given approach varies and the order of presentation here does not indicate superiority of either.

The first parameter captures *local government's perception of the employers' motives* for collaborating on the issues of active social policy, for instance recruitment policies, a sense of social responsibility towards employees (internal social responsibility) or towards the community at large (external social responsibility), or economic motives related to the notion of stakeholders and image. In order to collaborate, local authorities will at least to some extent try to match the interests of local business. Hence, it may be supposed that if the predominant concern of the companies is found to be the availability of certain personal and occupational characteristics in the local pool of labour, local social policy will focus on enhancing commitment and employability of social welfare recipients. Likewise, if local employers are more worried about retaining their labour force, social policy priorities will tend towards measures of job retention and bringing sick employees back to work as soon as possible. These differences have obvious consequences for which groups of clients the social policy will favour as well as who will constitute the most important collaborators for the social authorities (in these examples educational institutions and medical practitioners and the health care sector, respectively).

The second parameter may be defined as *local government's perception of its own position vis-à-vis employers*. If local authorities find that they can approach companies as (principally) equal actors, this will pave the way for certain kinds of collaboration whether it be as “business associates” in a setting in which market-like exchange relations structure the collaboration, or as “social partners” trying to come to terms on specific issues. Regardless their differences, the notion of equality between actors in these two settings eliminates discussions of business’ participation. This, on the other hand, is central if the administration perceives itself as inferior to the local enterprises. To the degree the authorities feel they have nothing or little attractive to offer an employer in return for his participation, they may shun collaboration and prefer public solutions, e.g. public rehabilitation centres instead of rehabilitation programmes set up at a company. The strategies local governments use in order to enhance the involvement of enterprises in local active social policy also depend on how they *view companies in relation to other actors*. In some settings, the administration may turn primarily to individual employers and give the employers’ associations preferential treatment creating a “narrow” mode of collaboration, while in other settings public-private collaboration would also involve unions, employee representatives, and an array of other actors, thereby forging a “broader” form of collaboration.

Finally, the fourth parameter is *the use the authorities give the Local Committees for Preventive Labour Market Measures*. Local authorities may welcome the committees as an instrument that may ease the implementation of the priorities already defined in the municipal council. An alternative to this instrumental approach is that of local governments who invite the committees to participate in the *definition* of priorities and only secondary in their later implementation. These two different ways of bringing in non-state actors follow the distinction between project partnerships and process partnerships or using the governance vocabulary: the game-level and the network-level. At the level of games and project partnerships, collaboration tends to concern day-to-day operations (case specific) whereas at the network-level involving process partnerships, collaboration is more general in its character. A third alternative is of course for the local governments to largely ignore the committees and continue to both define and implement the active social policies with a minimum of collaboration with non-state actors in case specific situations.

Three approaches

Local governments are restricted by structural conditions when selecting an approach, e.g. the composition of the business community, demography and geographical location. It would be erroneous, however, to argue that the choice of approach is merely a matter of structural determinism. This would deny the leverage of local politicians or, for instance, the pressures emerging from the dominant culture among the social civil servants that may both favour or oppose a given approach or (particularly) a change in approach. Considering the behaviour of the local governments on all four parameters sketched out above reveals distinct forms of local multisectoral collaboration. In the four cases examined, tendencies to form three different patterns of approaches emerged. Refining the data, one may speak to three ideal types of local government approach towards local multisectoral collaboration forming a marketing, a care, and a network approach. Table 1 summarises the three ideal types.

The scores on the four parameters show that whereas the marketing approach tends to pay particular attention to the needs and wishes of the employers, the point of departure in the care approach is the social client. In general terms, it follows that the main objective of initiatives made by local governments in the area of active social policy in the first model is to ensure the employability of the individual social client (“fit the individual to the requirements of the job / the labour market”) whereas in the second it is rather to find a form of employment that a given person is capable of retaining (“fit the job to the individual”). The objective of active social policies is not as well defined in the net-

work approach precisely because a central element in this strategy is that network participants delineate the priorities. Hence, whereas the first two approaches evolve around policy objectives that have methodological consequences, the latter evolves around methodological considerations that have consequences for the policies pursued.

Table 1. Ideal types of local government approach towards multisectoral collaboration

Local government's perception of ...	Marketing approach	Care approach	Network approach
...employers' motives for collaboration	Local authorities have a "product" companies are interested in and that drives the collaboration.	Employers are not particularly interested in showing social responsibility	Motives may vary but as a group employers are interested in taking a social responsibility
...own position vis-à-vis enterprises	Equal	Subordinated	Equal
... companies' position vis-à-vis other actors	Preferential	Equal / subordinated; scarce collaboration	Equal; extensive collaboration
... the role of the Committees for Preventive Labour Market Measures	Used as instrument for implementation of priorities defined by municipal council	Only limited involvement	Central for defining which issues to give priority (formulation of policy). Link to closer relations with single companies, shop stewards, etc.

This may be illustrated by looking at who are the main agents of the public-private collaboration. Focusing on policy objectives (whether the needs of businesses or those of social clients) was found to coincide with cooperation primarily concerning specific cases, thus making social workers and personnel managers the principal agents of the collaboration. In contrast, when inviting non-state actors to participate in defining local priorities the main agents of collaboration becomes representatives of interest organisations, leaders of the municipality's department of social services, and local politicians. Street level bureaucrats and personnel managers still spend much time co-operating about specific cases, but they are not the main agents shaping the collaboration.

Another difference among the approaches relates to the way the public administration is carried out. The local administration that most closely resembled the marketing ap-

proach was careful to act as “business-like” (as it was expressed) as possible. Presentation folders, business cards and colour brochures about the main services provided by the social service department (i.e. principally provision of labour) were produced for the civil servants, who furthermore were expected to comply with a business-like dress code when visiting an enterprise. The adoption of management tools was not limited to the contact with enterprises but was also found in the internal monitoring and control of performance, notably through the use of target quotas for the creation of a certain kind of subsidised job. This contrasts sharply with the administration of the care approach where setting up target quotas would be contradictory to the goal of providing the most adequate service to the individual recipient of social welfare: In this approach, creating one of the subsidised jobs in question should never be motivated in politically or administratively determined target quotas, but exclusively according to the needs and abilities of the social clients. This starting point also explains that in this setting, “traditional” social workers had a dominating position among the staff of the social service department. “Traditional” refers to professionals educated according to the philosophy that characterised the passive social policy of the 1970’s and 80’s in which the social clients’ *rights* were emphasised and where the social workers’ tasks rarely brought them out of their offices. In contrast, the administration in the marketing setting was dominated by bureaucrats whose title had been changed from “social worker” to “company consultant”. These new public servants adhere much more to the philosophy of the new active social policy that stresses not only the rights of the social clients, but equally their obligations (parallel to the welfare-for-work philosophy). They also perform a significantly greater part of their functions outside the office, visiting companies. The local government that pursued the network approach illustrated a third variation. Keeping to the example of target quotas these were used not for the purpose of internal monitoring, but as an instrument to create discussion about development in the policy field among all members of the network. Regarding staffing, the administration used a mix of social workers and company consultants. Most significantly, the leader of the social service department had much more contact to external partners, whereas the leaders in the other two settings to a larger degree concentrated on their internal administrative duties.

Interest and capacity of local non-state actors

The second essential feature shaping local multisectoral collaboration is non-state actors’ capacity and interest in participating. Taking into account at which groups local authorities direct their invitation to participate, it is fruitful to distinguish between indi-

vidual employers and collective actors, principally the employer and employee organizations.

With regard to individual employers, the case studies showed first and foremost that the collaboration between a company and the local authorities constitutes only a minimum of the daily activities in the enterprise. In many companies personnel management is not a well-defined or well-developed area and even less so the relationship to the local government regarding on the issues under consideration.

The case studies did show, however, that the larger private companies examined were considerably more aware of personnel issues than the public or smaller enterprises, although such issues could not be said to enjoy high status in comparison with e.g. marketing or product development. Pointing to a tighter labour market – Denmark is currently experiencing the lowest unemployment levels since the 1970's – the larger companies in question had begun considering how to incorporate the potentials of the local social service department into their personnel policies. In one case – a large supermarket – the company was looking for supplementary recruitment channels and the collaboration with the municipal social authorities had turned out to be an attractive complement to the public employment service and other channels. In another case involving a medium sized industrial production company, two ordinary jobs had been converted into publicly subsidised jobs on special terms, allowing the firm to retain valuable skills and knowledge in the workforce. The positive experiences had motivated further collaboration between the personnel manager and the local authorities also in other areas of active social policy. Similar processes may occur at smaller enterprises, but typically in a more sporadic and unsystematic manner. Still, even for the larger companies it would be exaggerated to speak of a strategy towards collaboration with the local government on these issues.

As seen, the involvement of collective non-state actors in local active social policies depends to a large degree on the approach taken by the local government. Such involvement could be described as a “window of opportunity” given to non-state actors, but not all actors studied were equally interested or capable of utilizing the window. Interest fluctuated first of all in response to the approach taken by the local government. The observations suggest (not surprisingly) that it appears more attractive to participate in a marketing approach as an individual company than as collective actors – inclusive employers' associations – whereas collective non-state actors are likely to find better possibilities for gaining influence when the local authorities take on a network ap-

proach. The care approach does not stimulate high levels of involvement (particularly not proactive involvement) from either individual companies or collective actors. The different contexts seem to compel non-state actors to consider whether to spend scarce resources on collaborative efforts rather than on unilateral initiatives. On an abstract level, the decision to spend resources in either way could be said to reflect the actors' interest in the issue: To which degree do local employers' associations for instance find that active social policy is an effective – or even necessary – means of expanding the pool of labour? To which degree do labour unions perceive that active social policy measures benefit their members – and to which degree do they feel solidarity towards potential members who are currently marginalised, non-union recipients of social welfare? Reflections about these matters were, however, not found in all cases studied. Some local organisations representing both employers and employees revealed significantly more complex analyses and argumentation as to why to participate or not in local active social policy than others, for whom the decisive factor was solely the approach taken by local government. Characteristic for the more competent local non-state actors was their closer ties upward in the organisation towards the regional and national levels as well as downward towards the grassroots. The former aspect appeared to bolster a broader vision of the local area's situation and potentials regionally, nationally, and even globally besides their increased capacity to understand the potential role of the organisation with regard to local active social policy. The latter was of importance for the understanding of shop-level problems related to multisectoral collaboration which the organisation could bring up in talks and negotiations, typically in the Local Committee for Preventive Labour Market Measures. Likewise, close ties to the grassroots facilitated the communication of agreements made in the committee and improved their backing.

Three models of local collaboration

The elements described above point toward three models of local multisectoral collaboration in the area of active social policy. The three models take their name after the approaches followed by the local governments with regard to the importance shown in their behaviour and priorities in shaping public-private collaboration. The core characteristics of the models are resumed in table 2.

The approach of local government and the interest and capacity of non-state actors has already been discussed and it suffices to point out that the two variables appear to reinforce the characteristics of the models. This impression becomes stronger when the

characteristics of the Local Committees for Preventive Labour Market Measures and the core participants taking part in the local collaboration are also taken into consideration. The conjunction of the four variables underlines the three situations as clearly distinct modes of local collaboration.

Table 2. Three models of local multisectoral collaboration

	Marketing model	Care model	Network model
Local government approach	Marketing approach	Care approach	Network approach
Non-state actors' interest and capacity	Competent actors that do not give priority to multisectoral collaboration (unilateral initiatives may be strong)	Actors without significant capacity to and/or interest in collaborating	Competent actors showing great interest in active social policy and capacity to collaborate multisectoral
Characteristics of the Local Committee for Preventive Labour Market Measures	Dominated by local government who holds formal leadership. Structure in compliance with legislative proposal.	Local government holds chair but generally lacks leadership. Structure in compliance with legislative proposal.	Chair shifts among employers and employees representatives. Enlarged membership to encourage non-state actor participation.
Core participants	Local administration and politicians, individual companies.	Local administration	Local administration, politicians, individual enterprises, employers and employees organisations, public employment services, occupational schools, physicians, local media, among others.

It is an open question which model is the “better” as each has different strengths and weaknesses. Furthermore, lack of consensus regarding criteria of evaluation makes cross-model comparisons impossible. Whether an expansion of the local labour market pool is considered a “better” result than assuring that social welfare recipients are only placed in employment they are capable of handling evidently depends on the goals of the local social policy. It remains an empirical question whether either of these goals is

met more effectively by means of involving local non-state actors in a network model or by retaining control and initiative in the hands of the local authorities.

The impossibility of answering the political and normative question of which model is better does not, however, preclude mention of some likely strengths and weaknesses in each. An asset in the marketing model is its capacity to change policy objectives quickly, which allows taking advantage of benevolent currents in society – such as the present focus on corporate social responsibility. This ability is due to the dominance of one actor – the local government – but herein also lies the weakness of the model. Local actors may become accustomed to the division of work in which they have no expected social responsibilities until they are contacted by the local authorities, and then only with respect to the issue(s) raised. If the local government gives priority – as in the studied case – to the (re)integration of workers to the labour market, employers receive no stimulation from the authorities to advance in the field of preventing work-related social exclusion. The care model may run into similar problems for the same reasons, which may exacerbate because the model makes no attempts to ride on the current tide of attention given to the issue of corporate social responsibility. On the other hand, the model's focus on the individual social client may prove to lead to higher rates of permanent (re)integration to the labour market than the other models. The most appealing feature of the network model is the high level of coherence between the involved actors' understanding of the problems related to active social policy and the initiatives taken to combat them. This involvement has the further potential of encouraging unilateral steps to promote prevention or to catch problems that may lead to exclusion from the labour market at an early stage. The disadvantage with the model is that it requires a high organisational capacity among participants that may not exist in many local settings.

Discussion: Consequences of partnership for governance

Introducing process partnerships as an instrument to provide solutions to issues on the public agenda has produced quite distinct modes of local public-private collaboration. The diversity poses in itself a challenge to our common understanding of public administration. Can we accept that similar social clients are offered different solutions to their situation merely because they live in municipalities with distinct modes of collaboration? Does this not erode the constitutional state and the principle of predictability? Or is it acceptable that a company's involvement in solving active social policy tasks and by extension its social responsibility depends on its geographical location? An affirmative answer to these questions will require that both public and private actors as well as the public in general find the arrangement legitimate.

The three models of local collaboration that have been described in this piece depict different aspects and problems of legitimacy. The legitimacy of the network model – which perhaps is the model most closely resembling what (Danish) politicians, ministries, and national leaders of interest organisations have in mind when they speak about “new social partnerships” – is brought to it by the actors that participate. It appears implicitly understood that bringing in special interests groups enhances legitimacy and the effectiveness of the policy outcome. In Denmark the scheme may be found in a number of policy areas besides active social policy, e.g. involving elderly when the topic is elder-care, parents in the case of childcare, or immigrants when it is social integration. This new form of legitimacy challenges the commonly known and accepted democratic legitimacy, since the actors are not held directly accountable before the local citizens. (Parents may be held accountable before other parents, elderly before citizens above 60 years of age and immigrants before other immigrants, but not before the general public as such.) The more power and competence a process partnership has, for instance over public funds, the larger the incongruity seems.

Marketing and care models of local collaboration face other aspects of the legitimacy debate. To the degree that local government does not cede power but rather pursues involvement of relevant actors in order to facilitate solutions to priorities already made, the partnership could be viewed as merely a new administrative tactic. In such case, how far will employers and other players accept new social responsibilities without being given more decision power? This leads to a catch 22 situation, because if given more power of decision the situation will be like that in the network model leading to the problem of democratic deficit.

The discussion suggests that the introduction of partnerships, particularly process partnerships, will change fundamental aspects not only of public administration, but also of our political systems. In the end, it is a political question which considerations should weigh heavier.

Bibliography

Ackerman, Robert W. (1975)

The Social Challenge to Business. Cambridge: Harvard University Press. Authorised facsimile from original; UMI Books on Demand, Ann Arbor, 2000.

Bogason, Peter (2000)

Public Policy and Local Governance. Institutions in Postmodern Society. Cheltenham: Edward Elgar.

Bell, Daniel (1979)

The Cultural Contradictions of Capitalism. London: Heinemann.

Carroll, Archie B. (1999)

“Corporate Social Responsibility. Evolution of a Definitional Construct”. In *Business & Society*, vol. 38, no. 3, pp. 268-295.

Carroll, Archie B. and Ann K. Buchholtz (2000)

Business and Society. Ethics and Stakeholder Management. (Fourth edition.) Cincinnati: South Western College Publishing.

Crozier, Michael, Samuel Huntington and Joji Watanuki (1975)

The Crisis of Democracy. New York: New York University Press.

Damgaard, Bodil (2000)

Kommunerne, virksomhederne og den aktive socialpolitik. Casestudier af det lokale samarbejde. [Municipalities, Enterprises and Active Social Policy. Case studies of local cooperation.] Copenhagen: Danish National Institute of Social Research (00:12).

Danish Ministry of Labour (1996)

The Danish Labour Market Model - and Developments in the Labour Market Policy. Consulted at http://www.am.dk/publikationer/uk_0/uk_0_0.htm.

DiMaggio, Paul J. and Walter W. Powell (1991)

“Introduction” in Powell and DiMaggio (eds.), *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, pp. 1-38.

Freeman, R. Edward (1984)

Strategic Management: A Stakeholder Approach. Boston: Pitman.

Geddes, Michael (1998)

Local Partnership: A Successful Strategy for Social Cohesion? Dublin: European Foundation for the Improvement of Living and Working Conditions.

Habermas, Jürgen (1976)

Legitimation Crisis. London: Heineman.

Kickert, Walter J. M., Erik-Hans Klijn and Joop F. M. Koppenjan (eds.) (1997a): *Managing Complex Networks. Strategies for the Public Sector*. London: Sage.

- Kickert, Walter J.M., Erik-Hans Klijn and Joop F.M. Koppenjan (1997b)**
 Managing Networks in the Public Sector: Findings and Reflections” in Kickert, Klijn, and Koppenjan (eds.), *Managing Complex Networks*. London: Sage, pp. 166-191.
- Kickert, Walter J. M. and Joop F. M. Koppenjan (1997)**
 “Public Management and Network Management: An Overview” in Kickert, Klijn and Koppenjan (eds.), *Managing Complex Networks. Strategies for the Public Sector*. London: Sage, pp. 35-61.
- Kochan, Thomas and Paul Osterman (1994)**
The Mutual Gains Enterprise. Boston: Harvard Business School Press.
- Kooiman, Jan (ed.) (1993)**
Modern Governance. New Government-Society Interactions. London: Sage.
- Kooiman, Jan (2000)**
 “Societal Governance: Levels, Models, and Orders of Societal-Political Interaction” in Pierre (ed.), *Debating Governance*, Oxford: Oxford University Press, pp. 138-164.
- Kooiman, Jan (2001)**
 “Governance. A Social-Political Perspective.” Retrieved December 3, 2001 from http://www.ifs.tu-darmstadt.de/pg/heinelt/p_eu_2000-2002-kooiman.pdf.
- Kuhnle, Stein and Matti Alestalo (2000)**
 “Introduction. Growth, Adjustments and Survival of European Welfare States” in Kuhnle (ed.), *Survival of the European Welfare State*. London: Routledge, pp. 3-18.
- Linder, Stephen (1999)**
 “Coming to Terms with the Public-Private Partnership. A Grammar of Multiple Meanings” in *American Behavioral Scientist*, Vol. 43:1. Retrieved from <http://www.epnet.com> (EBSCO), April 10, 2000.
- Maignan, Isabelle, O.C. Ferrell and G. Tomas M. Hult (1999)**
 “Corporate Citizenship: Cultural Antecedents and Business Benefits”. In *Journal of the Academy of Marketing Science*, vol. 27, issue 4, pp 455-469.
- Mailand, Mikkel (2000)**
Den danske model lokalt og regionalt. [The Danish Model At Local and Regional Levels.] Copenhagen: Copenhagen University, Department of Sociology.
- March, James G. and Johan P. Olsen (1995)**
Democratic Governance. New York: The Free Press.
- Martin, John P. (2000)**
 “What Works Among Active Labour Market Policies: Evidence From OECD Countries’ Experiences” in *OECD Economic Studies*, no 30; 2000/1 pp 79-113.

Mayntz, Renate (1993)

"Modernization and the Logic of Interorganizational Networks" in *Knowledge & Policy*, vol. 6, issue 1. Retrieved from <http://www.epnet.com> (EBSCO), October 5, 2000.

Ministry of Social Affairs (2000)

"*det angår os alle*". *Status år 2000 for kampagnen om virksomhedernes sociale ansvar*. [Our Common Concern. Campaign on Corporate Social Responsibility.] Retrieved November 2, 2000 from <http://www.vsa.sm.dk/publikationer/index.html>.

Nelson, Jane (1996)

Business as Partners in Development. Creating Wealth for Countries, Companies, and Communities. London: Prince of Wales Business Leaders Forum.

Nørgaard, Asbjørn Sonne (1999)

The Politics of Institutional Control: Corporatism in Danish Occupational Safety and Health Regulation & Unemployment Insurance, 1870-1995. Aarhus: Politica.

Offe, Claus (1984)

Contradictions of the Welfare State. (Edited by John Keane). Cambridge: MIT Press.

Organisation for Economic Co-operation and Development (1999)

OECD Principles of Corporate Governance. Retrieved October 5, 2000 from <http://www.oecd.org/daf/governance/principles.pdf>.

Organisation for Economic Co-operation and Development (1998)

Local Management for More Effective Employment Policies. Paris: OECD.

Osborne, David and Ted Gaebler (1993)

Reinventing Government. How the Entrepreneurial Spirit is Transforming the Public Sector. New York: Plume.

Osterman, Paul (2000)

"Work Reorganization in an Era of Restructuring: Trends in Diffusion and Effects on Employee Welfare". In *Industrial and Labor Relations Review*, vol. 53, issue 2, pp. 179-196.

Pierre, Jon (ed.) (2000)

Debating Governance. Oxford: Oxford University Press.

Post, James E., William c. Frederick, Anne T. Lawrence and James Weber (1996)

Business and Society. Corporate Strategy, Public Policy, Ethics. New York: McGraw-Hill.

Rein, Martin and Eskil Wadensjö (1997)

"The Emerging Role of Enterprise in Social Policy" in Rein and Wadensjö (eds.), *Enterprise and the Welfare State*. Cheltenham: Edward Elgar.

Rhodes, R.A.W. (1997)

Understanding Governance. Policy Networks, Governance, Reflexivity and Accountability. Buckingham: Open University Press.

Rosenau, Pauline V. (1999)

"Introduction. The Strengths and Weaknesses of Public-Private Policy Partnerships" in *American Behavioral Scientist*, vol. 43:1, pp 10-34.

Stoker, Gerry (2000)

"The Challenge of Urban Governance" in Pierre (ed.), *Debating Governance*, Oxford: Oxford University Press, pp. 91-109.

Suchman, Mark C., 1995

"Managing Legitimacy: Strategic and Institutional Approaches". In *Academy of Management Review*. vol. 20 no. 3, pp. 571-610.

van Kersbergen, Kees (2000)

"The declining resistance of welfare states to change?" in Kuhnle (ed.), *Survival of the European Welfare State*. London: Routledge, pp. 19-36.

Waddock, Sandra A. (1991)

"A Typology of Social Partnership Organizations" in *Administration & Society*, vol. 22:4. Retrieved from <http://www.epnet.com> (EBSCO), November 18, 1999.

Working papers published by the Danish National Institute of Social Research since 1.1.2002.

May be downloaded from www.sfi.dk

- 1:2002 Mogens Nygaard Christoffersen: Dissolved families – A prospective longitudinal cohort study of family strain before separation following schoolchildren born in Denmark 1973.
- 2:2002 Filges, Trine & Larsen, Birthe: The Impact of Youth Unemployment Policy
- 3:2002 Filges, Trine & Larsen, Birthe: Stick, Carrot and Skill Acquisition
- 4:2002 Filges, Trine & Larsen, Birthe: Is Unemployment Always Higher when Insiders Decide
- 5:2002 Christoffersen, Francis & Soothill: An upbringing to violence?
- 6:2002 Christoffersen, Poulsen & Nielsen: Risk factors for adolescent's attempted suicide
- 7:2002 Jon Kvist & Mikko Kautto: Distinct or Extinct? Nordic Welfare States in the European Context
- 8:2002 Karen Margrethe Dahl, Dorte Boesby & Niels Ploug: Welfare Systems and the Management of the Economic Risk of Unemployment: Denmark
- 9:2002 Dorte Boesby, Karen Margrethe Dahl & Niels Ploug: Welfare Systems and the Management of the Economic Risk of Unemployment: Sweden
- 10:2002 Rosdahl, Anders: The Policy to Promote Social Responsibility of Enterprises in Denmark
- 11:2002 McIntosh, James & Munk, Martin D.: Mobility: A Critical Appraisal
- 12:2002 Høgelund, J. & Holm, A.: Returning Long.-Term Sick-Listed to Work. The Effects of Training in a Competing Risk Model with Time Varying Covariates and Unobserved Heterogeneity
- 13:2002 Damgaard, B.: Partnership and Governance. Local multisectoral collaboration on active social policy in Denmark