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Coordination patterns and institutional settings: a comparative study of labour market programs for unemployed youth in Sweden and the United Kingdom

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ABSTRACT

Over the past decades, Europe has seen increasing interest in and pressure to coordinate social policy. Studies on the coordination of social policies have found that institutional settings affect coordination patterns when comparing different welfare state ideal-types. Adding to this body of research, this paper compares two countries with diverging authority to regulate social policy areas; Sweden representing a unitary decentralized state and the UK representing a regionalized state. With labour market programs for youth serving as a case, the purpose of this paper is to compare the development of inter- and intra-policy coordination over a period of 10 years, analysing the impact of regulatory authority. Policy documents which set the regulatory frame of the programs are analysed from the perspectives of instruments, and territorial levels of regulatory authority and how these connect to coordination patterns. The results show that levels of discretion and processes of decentralization and fragmentation of regulatory authority impact on coordination patterns, where inter- and intra-coordination develops under different circumstances.

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Introduction

During the past decade, a new research tradition on coordination has emerged in the field of social policy research (Christensen et al. 2014; Champion and Bonoli 2011; Clasen and Clegg 2011; Zimmerman, Fuertes, and Aurich-Berheide 2016; Øverbye et al. 2010). The emergence of this field of study can be directly related to the increasing presence of, and interest in, coordination of social policy in Europe in general and throughout the European Union in particular (Commission of the European Communities 2000, 2008). Empirical studies in this field have demonstrated that national coordination patterns in social policy are linked to institutional contexts (e.g. Øverbye et al. 2010; Clasen and Clegg 2011). System of labour market schemes and adjacent social policy measures (such as social insurance schemes, social services, etc.), as well as the state structure,

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have bearing on the form and extent of coordination ideas that are adopted and implemented (Øverbye et al. 2010; and Zimmerman, Fuertes, and Aurich-Beerheide 2016). These studies often compare clusters of countries with emphasis on their diverging welfare state logics and differences in institutional settings¹ of social policy areas. Missing from this field of research are studies that compare social policy coordination in different countries, from a point of view of the robustness of institutional settings rather than the traditional welfare state types. There are parts of institutional settings, which are not likely to change, such as a country's constitution or state structure (federal/unitary). However, they may impact on other institutional settings and by extension on coordination patterns. Authority to regulate or administer different areas of social policy, or even specific policy programs are examples of institutional aspects, which may alter over time, and differ between policy areas. Both these types of institutional settings may in various ways define the structure of coordination. Lacking in this field is also studies that compare coordination patterns over time. We aim to fill this knowledge gap by wedding together the research tradition of coordination with theoretical ideas of how institutional factors impact on and shape social policy. Thus contributing new knowledge on the impact of institutional settings on how patterns of coordination unfold. With unemployed youth as a case, we analyse and compare labour market programs toward this group over a period of 10 years in Sweden and the UK. Drawing on the field of comparative federalism, these two countries represent a typically *unitary decentralized state* and a *regionalized state* (Swenden 2006).

Studying the coordination of labour market programs for youth is relevant for two reasons. First, it is a highly multifaceted problem relating to several policy areas. Young people often have limited work experience, lower social capital and less access to contributory-based support systems than their older counterparts have. Youth unemployment is also often related to insufficient education, social problems and reduced work capacity (Eichhorst, Hinte, and Rinne 2013). Second, there is policy pressure from the supranational level toward national policy coordination for this group. The OECD and the EU have emphasized the need for coordination of policies for unemployed youth across functional and organizational boundaries (Christensen et al. 2014).

Studying coordination in Sweden and the UK allows for comparison between two countries with a strong central state and nationally regulated labour market policy through legislation, but diverging authority to regulate and administer policy at lower levels (regional and local) where the instruments of regulation range from non-legal texts and framework laws to more detailed legislation. This paper thus enables us to scrutinize similarities and differences in regulative authority of three relevant areas of social policy: labour market, education and social services,² as well as authority to regulate and administer policy at lower levels (regional and local).

In this paper, the question is how regulatory authority can help us understand patterns of coordination over time in labour market programs for unemployed youth. This question is answered by analysing and comparing coordination patterns in such programs in a *unitary decentralized state* and a *regionalized state*. The study covers the years 1995–2011, a period where the coordination paradigm has gained ground around Europe. In Sweden, covering the Municipal Youth Program (KUP), the Youth Guarantee (UG) and the Job Guarantee for Youth (UGA). In the UK, covering the New Deal for Young People (NDYP), the Flexible New Deal (FND) and the Work Program. The empirical material

consists of policy documents that define the regulative frame of the investigated programs (regulations, legislation, ordinances), complemented by expert interviews with researchers and public officials with in-depth knowledge of the programs.

The paper starts with a short review of the concept of policy coordination and its connection to institutional settings, as well as introducing regulatory authority as a theoretical tool. After that, the method is presented along with an overview of the institutional settings of labour market-, education- and social services policy in Sweden and the UK. The final section presents and analyses how coordination occurs within and between different policy areas in the programs, related to changes over time in the different instruments and levels of regulatory authority.

The concept and occurrence of policy coordination

In the late 90s, activation policies became a key concept of the new welfare state with the intent to activate unemployed, reduce spending on passive benefits and increase employment and productivity. Activation policies made income benefits for unemployed contingent on participation in labour market, training and education measures. This shift has created a need for coordination between e.g. social assistance, employment policies and social security (Champion and Bonoli 2011). Further on, in 2008, the European Commission recommended the member states to implement a strategy for Active Inclusion of people excluded from the labour market, encouraging the coordination of income support, labour market support and social services (Commission of the European Communities 2008). Simultaneously, the social investment paradigm was beginning to seep in to social policy and politics in Europe (Giddens 1998). In the early twenty-first century, the EU had adopted the social investment idea of investing in social policy and creating cohesive and complementary policies in different policy areas (Commission of the European Communities 2000; Esping-Andersen et al. 2002). Thus, coordination increasingly gained ground in policymaking.

Coordination is a wide concept, including a large variety of elements. For example, it can be horizontal or vertical, occur in policy-making, managing and implementing and by different dimensions such as benefits/services or targets groups. To further complicate matters, a number of other terms are often used as synonyms for coordination, or describing variations of inter-organizational endeavours to achieve ends that are not attainable through individual actions (for a more throughout overview see Bouckaert, Peters, and Verhoes 2013). Coordination efforts are also shaped by the institutional conditions they are embedded in. This connection between institutional conditions and coordination patterns serves as the starting point for this paper.

Given our interest in coordination within and across different institutional settings, we define labour market-, education- and social services policy, based on the institutional boundaries that separates and thereby constitutes them as specific policy areas. In order to answer our research question, we limit our study to the regulations of coordination, which can consist of steering documents, legislation, framework documents and consultation papers. Based on the types of coordination most explicitly recommended from the OECD, ILO, EU, etc. (Commission of the European Communities 2000, 2008;

Richardson and Patana 2014), coordination in regulations of policies targeted at unemployed youth is defined here as:

- (i) Activation requirements (requiring coordination between e.g. social assistance and employment policies)
- (ii) Coordinated service-delivery (bridging labour market, education, social services)
- (iii) Coordination of program content (policy measures from several policy areas in a single program).

These three categories represent two different forms of coordination: within a policy area (intra-policy coordination) and between different policy areas (inter-policy coordination). Activation requirements are a form of intra-policy coordination, whereas coordinated service-delivery and program content are forms of inter-policy coordination.

The importance of institutional settings for coordination

In the literature on coordination of labour market policies focusing on unemployed in general, varying adaptations of the concept among European countries have been observed. Several comparative studies conclude that variation in coordination is likely connected to institutional factors (Øverbye et al. 2010; Clasen and Clegg 2011; Minas 2014; Zimmerman, Fuertes, and Aurich-Beerheide 2016). For ex., both Øverbye et al. (2010) and Zimmerman, Fuertes, and Aurich-Beerheide (2016) find that system of labour market schemes and adjacent social policy measures (such as social insurance schemes, social services, etc.), as well as the state structure, have bearing on the form and extent of coordination ideas that are adopted and implemented. Similar findings can be seen in coordination studies in other areas of social policy. In their study of social assistance schemes in European countries, Bergmark and Minas (2010) find that the presence of public-private partnerships varies with countries' institutional contexts. Another example is the study of integration of unemployment protection in Europe by Clasen and Clegg (2011). They find that countries where responsibility for different policy areas (particularly unemployment protection and labour market policy) is dispersed over governance levels, have less marked integration of unemployment protection systems.

These studies tell us that institutional structures matter when it comes to coordination patterns. In this paper, we consider that while much of a countries institutional settings when it comes to regulating policy is quite robust, they can allow for changes in the levels and mechanisms of *regulatory authority* in different policy areas. Like the polity-literature's concept of legislative authority, regulatory authority is here understood as the authority to regulate a certain area by legislation or other regulations (Rauch 2005). In addition, our definition of regulatory authority explicitly considers that such regulations may also stipulate levels and means of administrative power. When regulatory authority is divided between different territorial levels, this can be referred to as *fragmentation* (Skopcol and Amenta 1986). This means that authority to decide on activation requirements, delivery of services and program content in a specific policy area can be divided between national and local/regional levels, and also that the distribution of regulatory authority may vary among different areas of social policy.

Instruments of *regulatory authority* also vary, ranging from non-legal texts³ that can be more or less detailed; to framework legislation, often-granting substantial *discretion* to implementing authorities; to detailed legislation, where the legislative tier has more power. The different levels and instruments of regulatory authority may affect one another, as different instruments of regulatory authority may promote dispersion and fragmentation of regulatory power in varying degree. For example, even when regulatory authority resides primarily at the national level, the central state may decentralize some authority to regulate or administer a policy area, thereby allowing discretion at lower levels of governance. This implies that the state can have the opportunity to adjust the institutional settings of policy areas, which may result in different policy areas being regulated in quite diverse ways. In our case, whether and to what extent regulation of labour market, education or social services policy is a responsibility of national, regional or local (municipal) level authority may differ not only between our two countries, but also over time. This has consequences for whether and how policies targeted at unemployed youth are coordinated between and within these three policy areas.

Based on this the following two assumptions guide our study:

- (a) When territorial distribution of regulatory authority varies between related policy areas, inter-policy coordination between these areas is obstructed (but intra-policy coordination may be possible).
- (b) When instrument(s) of regulatory authority imply that there is discretion at several levels of governance over a single policy area, intra-policy coordination is obstructed.

Method

The paper is a case study between two countries. Sweden and the UK are two well-developed welfare states who have similarly experienced high levels of youth unemployment during the latest decades. As previous studies point to the importance of institutional structure of policy areas when it comes to policy coordination, the selection of our two cases is grounded in significant differences in governance, without trying to compare two radically different state structures. More specifically, we want to compare two countries where the pressure to coordinate policies for unemployed youth could be expected to be similar, but where diverging governance conditions in terms of authority at sub-national levels varies. Drawing on the literature of comparative federalism, the selection of UK and Sweden represents one *regionalized state* and one *decentralized unitary state*. Both have a “fully empowered” central state and they both lean toward authority for lower tiers of governance, but in significantly different ways. While the devolved regions of the UK have law-making power, the Swedish municipalities have administrative powers and authority to deliver services. The UK devolution can also be described as a bottom-up process created by demand for increased independence from the constituent countries, whereas the Swedish municipal discretion is rather a case of “top-down regional planning” which indeed provides discretion at local level but also implies a lot of administering law making over which they have no authority (Swenden 2006). The different modes of sub-national authority also take place at different tiers of governance, in the UK at the constituent-country level and in Sweden at the municipal level. These differences are mirrored in the fields of labour market-, education- and social services policy

where the authority to regulate and administer policy and the instruments for doing so vary both within and between the two countries.

The years studied, 1995–2011, are a period of time where new paradigms and ideas of social policy that include elements of coordination have gained ground around Europe, such as Active Labour Market Policies, Active Inclusion and Social Investment (Champion and Bonoli 2011; van Berkel, de Graaf, and Sirovátka 2011; Hemerijck 2015). It is also a period during which youth unemployment in the two countries has been high and perceived as a problem. Sweden has experienced a more persistent problem with high youth unemployment since the late 90s with figures around 20%, whereas the UK has seen an increase from around 14% in the late 90s to around 20% in 2011 (Eurostat). These figures illustrate a pressure to tackle youth unemployment in both countries for almost two decades back. The labour market programs in question were selected because they are broad and nationwide programs, tackling youth unemployment over approximately the same time period. They are also quite similar in terms of the type of policy they represent, an active labour market policy including several possible measures offered. This provides for a more accurate comparison in terms of the effect of institutional arrangements such as state structure and governance of social policies.

In the UK, we will be studying the New Deal for Young People (NDYP), the Flexible New Deal (FND) and the Work Programme. The NDYP was introduced in 1998, with the idea of combining work experience and training in order to enhance employability among young people. Youth receiving Job Seekers Allowance⁴ (JSA) for 6 months were assigned to the program that consisted of a gateway period followed by four different activation options. The gateway period included mapping and job-search assistance, while the four options were different forms of combined work experience and training. With complaints over quality and results of the NDYP, the FND was introduced in 2010. It established full contracting out of services with a partial payment by results and a much more open design in terms of offered measures. The FND, however, was abolished after only a year and followed by the Work Program in 2011. The Work Program provided more incentives for providers to deliver high-quality measures by increasing payment by results and a black-box design to service delivery (Gregg, interview, 2016-10-20).

In Sweden, we will be studying the Municipal Youth Programme (KUP), the Youth Guarantee (UG) and the Job Guarantee for Youth (JUG). KUP was introduced in 1995, transferring responsibility for delivery of labour market measures for youth from the national Public Employment Services (PES) to the municipalities. A few years later (1998/1999), the UG extended the local responsibility to include youth aged 20–25 (Riksdagen 2006). With the shift in government in 2006, KUP and UG were abolished and the new right-wing coalition government introduced the Job Guarantee for Youth (UGA) in 2007. UGA re-centralized the responsibility for youth labour market measures to the PES, and introduced a time-limit of 3 months after which all youth registered with the PES would be directed to a program. The first 3 months include mapping, coaching and most importantly intensified job-search. After three months, different full-time activation measures such as vocational training or apprenticeships were introduced (Hall and Liljeberg 2011).

The empirical material for the labour market programs is primarily policy documents.⁵ The policy documents were collected through desk-research and with advice from policy experts in each country. In Sweden, the programs in question are legislated in separate

Table 1. Empirical material.

Country	Policy documents		
SWEDEN	<i>KUP</i>	<i>UG</i>	<i>JUG</i>
	<ul style="list-style-type: none"> Government Bill proposal on labour market reforms^a Legislation on KUP 	<ul style="list-style-type: none"> Government Bill proposal on labour market reforms Legislation on UG 	<ul style="list-style-type: none"> Government Bill proposal for JUG Ordinance on JUG Ordinance on compensation
	<ul style="list-style-type: none"> PES contract templates for KUP & UG^b 		
UK	<i>NDYP</i>	<i>FND</i>	<i>Work Program</i>
	<ul style="list-style-type: none"> Framework document for the NDYP by the Department of Employment & Education^c Parliamentary paper by the Department of Social Security 	<ul style="list-style-type: none"> FND Provider Guidance by the Department for Work & Pensions^d 	<ul style="list-style-type: none"> Framework document for the Work Program by the Department for Work & Pensions
	<ul style="list-style-type: none"> Department Research Report on the introduction of Job Centre Plus, commissioned by the Department for Work and Pensions. 		

^aSwedish bill proposals contain content of the bill, legislative alterations and received comments on the proposal from organizations, agencies, etc. to whom the proposal has been referred beforehand. Government bills are called propositions and are in text referred to as “prop.”

^bTemplates for contracts on the right to offer the programs KUP & UG, entered into by a municipality and the County Labour Board.

^cThe document “Design of the New Deal for 18–24 year olds” contain overall framework for the program including content, eligibility, funding and delivery arrangements.

^dIncludes regulations on the role of private providers delivering the Flexible New Deal in terms of the program content and their relation to the administering Job Centre Plus.

bills, whereas in the UK there are no specific bills or full legislation for the labour market programs in question. This means that the status of the policy documents differ somewhat between the two countries, which is the reason for complementing the documents with expert interviews in each country. An overview is provided in [Table 1](#).

The policy documents are complemented with 2–3 interviews per country with researchers, and civil servants involved in agenda-setting and development of labour market policies. The interviews serve as a complement to the policy documents in the analysis. They centred on regulation of the programs, program content and structure and administrative structure. Empirical data on the institutional setting of each country comes from desk-research, complemented by the interviews.

Institutional settings of Sweden and the UK

This section provides an overview of the institutional settings for labour market, education and social services in Sweden and the UK. The details of these may alter somewhat over time, which will be described in the results. Here we present rather a broad view on the basic framework for these three policy areas and the differences and similarities between the two countries.

Sweden is in this paper defined as a *unitary decentralized state* given the full legislative authority of the national parliament along with a high degree of discretion at sub-national

levels. There are three levels of politically elected governments, where the national parliament is the highest decision making body with full legislative authority and policy formation as its primary tasks (Minas and Anderson 2014). At the regional level, the county councils are mainly responsible for health care and infrastructure, and are not primarily responsible for social or labour market questions.⁶ At the local level, there are 290 municipalities, with responsibility for administration and delivery of a wide range of areas including social services and primary and secondary education. The relationship between local and national levels is characterized by a high degree of municipal autonomy in the implementation and interpretation of policy regulations, and the municipal right to levy taxes (local autonomy is written in the constitution) (Bergmark and Minas 2007).

The UK is in this paper referred to as a *regionalized state*, with a central government that has supreme power in terms of legislation and policy making,⁷ combined with legislative authority over certain policy being devolved in 1998 to the constituent countries (England), Scotland, Wales and Northern Ireland, creating four strong regions. Which policy matters are devolved, and to what extent constituent countries have the authority to pass primary and secondary legislation⁸ is determined through individual devolution settlements and varies between the countries (United Kingdom Civil Service n.d.). Scotland has the most far-reaching devolution settlement in terms of areas devolved and the power to pass primary legislation in those areas. All three devolved administrations largely rely on the central government for funding, with the exception of limited self-financing through loans, non-domestic rates and council taxes in Scotland (Fuentes and McQuaid 2013).

Labour market, education and social services

In Sweden, education, employment and social services are all nationally legislated policy areas. However, type of legislation and authority over administration and delivery of services differs between these policy areas. Whereas labour market policy is regulated quite in detail, the Social Services Act (SFS 2001:453) and the Education Act (SFS 2010:800) are so-called framework laws formulating general intentions. National labour market programs are administered and implemented by the Swedish Public Employment Service (Swedish PES), a governmental national agency. The administration and delivery of primary and secondary education, however, is the principal authority of the municipalities. The same is true for social services (including social assistance) which are also administered, financed and delivered by the municipalities. While the municipal discretion in these areas is considerable, the government has the right to define the scope of decentralized authority to the municipalities through legislation (Minas and Anderson 2014). Most municipalities also organize local activation programs, for example through local *job-squares* for individuals on social assistance.⁹ This is an expression of the dual system of unemployment protection in Sweden, where municipalities are responsible for activation of social assistance claimants and the government is responsible for unemployed eligible to unemployment compensation.

The UK has a centralized system of both unemployment benefits and labour market policy (Finn and Schulte 2008; Wright 2011). The central government, through the Department for Work and Pensions (DWP) is responsible for employment policy for the entire UK, and the DWP adopts regulations on new policies without legislation,

which can be quite detailed. In the case of means-tested benefits, the central government has the authority to decide on benefit rates, entitlements, and duration (Finn and Schulte 2008). The devolved administrations merely have authority over related areas such e.g. training and education. Regarding social services, the system is more complex and fragmented than in Sweden. Social care is largely a devolved matter in all three countries including the authority to pass primary legislation. Excepted are a number of benefits for specific target groups which is still a reserved matter (in 2016 a number of such benefits were devolved in Scotland) as well as policy regarding the care and support of children in Northern Ireland and Wales. Social security has been a reserved matter in all three countries up until 2016 when it was devolved in Scotland ([The Devolution committee](#)). Local authorities are key providers of social services, regulated through legislation as well as regulations and guidance varying in how detailed their prescription is. Education is an area where legislation is devolved in all three countries; however there is still an impact of central government legislation during this time as the Education Act passed by the UK parliament refers to both England, Wales and to some extent Northern Ireland. Some matters are also still reserved, such as the pay and conditions for teachers in Wales ([Law Wales](#)). Local and/or regional level authorities have the responsibility of delivering primary and secondary education ([Scottish Government](#); [Law Wales](#); [Education Authority](#)).

An overview of institutional settings is provided in [Table 2](#).

Table 2. Institutional settings of Sweden & the UK.

	UK Regionalized state	SWEDEN Unitary decentralized state
	Central state with full legislative power. Legislates on reserved matters, devolved areas legislated on by the constituent countries of the UK.	Central state with complete legislative power. Large municipal authority in policy administration and delivery.
Regulatory authority of Labour market-, Education-, and Social services-policy		
<i>Central/ National level</i>	Labour market: Central legislation, regulation and administration. Education: Central legislation on limited education related issues for Wales & Northern Ireland ^a . Social Service: Central legislation of specific benefits and social security. Central legislation on care and support of children for Northern Ireland and Wales.	Labour market: National legislation, regulation and administration. Education: National Framework legislation ^b Social Service: National Framework legislation ^c
<i>Regional level/ Devolved areas</i>	Labour market: - Education: Legislative authority on aspects not regulated centrally. Social Service: Legislative authority on aspects not regulated centrally.	Labour market: - Education: - Social Service: -
<i>Local level</i>	Labour market: - Education: Provision of education Social Service: Provision of social services	Labour market: Administration of activation services for social assistance recipients ^d Education: Administration and provision of education. Social Service: Local regulations and organization of social service, social assistance and some local activation programs.

^aFor ex pay and conditions for teachers.

^bEducation act and National curriculum ordinance

^cIncludes the regulation of the monetary standard for social assistance

^dNot in all municipalities.

Our two cases display different mechanisms and territorial levels of regulation and authority in the three policy areas. In both countries, labour market policy is regulated centrally, through quite detailed legislation and regulations that defines, for example, benefit levels, duration of receipt, and eligibility for participating in programs or sanctions. Social care and education is in the UK steered through regulatory text as well as primary and secondary legislation at the regional level,¹⁰ and in Sweden through central framework legislation with large discretion to regulate and administer at the local level. This implies a decentralization of authority in both countries, where discretion to regulate education and social care are found at lower levels of government. Significant differences between the two countries in terms of regulatory authority and steering mechanisms is, of course, the power to legislate at lower levels in the UK. In addition, the diverging devolution settlements makes sub-central authority more fragmented in the UK, whereas regulatory authority is more concentrated in Sweden.

Increasing coordination in labour market programs for youth?

The following section details the results of the paper. Features of inter-coordination and intra-coordination in the Swedish- and UK programs are described, as well as changes of institutional settings affecting the programs.

In Sweden, special youth programs were introduced in the mid-1980s. With the crisis in the 1990s, the programs reached larger volumes (Edin, Forslund, and Holmlund 2010). When the municipal youth program (KUP) was introduced in 1995, the responsibility for unemployed youth was transferred from the national level to the municipalities. A key argument for this solution stated in the government bill “A more effective labour market policy” (Prop. 1994/95:218), was to give the municipalities a coordinating role, as they already had responsibility for assuring upper secondary education to school drop-outs under the age of 20, and paid social assistance to youth without income. The government bill also stresses the success of prior municipal cooperation efforts between employment caseworkers, employment services and the education sector. Yet, neither the law on KUP¹¹ (SFS 1995:706) nor the law on UG¹² (SFS 1997:1268) provided many prescriptions in terms of the program content or service delivery. KUP and UG were further regulated through standardized contracts between the County Labour Board¹³ and the municipalities (Riksrevisionen 2006), where the 6§ of both contracts explicitly suggest coordination of program content by offering education efforts within KUP,¹⁴ and prioritizing preparatory education in UG. Both contracts allowed significant municipal discretion over program content and the delivery of the programs (Riksrevisionen 2006 4§ 6§). Regarding coordination through activation, neither of the legal texts regulating KUP (SFS 1995:706) and UG (SFS 1997:1268) formulated any specific requirements to participate in these specific programs as an obligation for benefit receipt. The contracts between the County Labour Boards and the municipalities’ simply state that the municipality should pay compensation with regard to attendance, leaving it up to the municipalities how this should be considered (Riksrevisionen 2006). Changes in the national social services act in 1998, however, enabled the municipalities to require participation in activation measures (SFS 2001:453 4§) in order to claim social assistance benefits. This means that for young people on social assistance benefits, participation in UG could in theory be required in order to claim benefits, displaying a form of coordination through activation

for a limited group of participants in UG. The increased municipal authority for unemployed youth gave municipalities leeway to create own programs, building on previous contacts and existing coordination. On the other hand, quantity and quality of coordination varied widely among municipalities.

After massive critique against the results of the programs, responsibility for activation of unemployed youth was recentralized from the municipalities to the national Public Employment Service (PES) in 2008 (Prop., 2006/07:118). At this time KUP and UG were abolished and the new Job guarantee for youth (JUG) was introduced through changes in national legislation and a new ordinance (SFS 2007:813). The ordinance on JUG vastly reduced the role of the municipalities in labour market programs, they now only provided activation measures for youth during the first three months of unemployment, as well as for youth who remained on social assistance.¹⁵ Delivery of benefits and services was split between two different government agencies. Service delivery (activation programs) became a task of the national PES and benefit payments the responsibility of the national Social Insurance Agency (SIA) (Minas 2011). Thereby the coordinated municipal delivery of education, labour market programs and social services was undone and the municipal discretion over labour market programs for youth revoked. The content of the programs went from more to less coordinated at this time. Program measures within KUP and UG were flexible, opening up for cooperation with services from other policy areas, such as social service or education (Riksrevisionen 2006). The regulation of JUG, in contrast, displayed more detail steering. The measures administered in JUG were almost exclusively labour market-oriented such as job search, coaching and training (SFS 2007:813 1§ 10§). In contrast to this decrease in inter-coordination, the ordinance on compensation for participation in labour market programs (SFS 2017:819) demonstrates increased intra-coordination in the form of activation policies. Conditionality, tying participation in activation programs to benefit receipt became explicit for youth participating in JUG (SFS 2017:819 6 kap. 1§-5§).

In contrast, the UK has a much longer tradition of specific programs for unemployed youth and since the 1960s-70s, the UK has had a stream of programs to aid youth in employment, including job-subsidies and training schemes (Wilson 2011). The UK programs of interest in this study start with comparatively less inter-coordination in the form of service delivery and program content, but more intra-coordination through activation. The initial regulations of the New Deal for Young People (NDYP) were provided in 1997, by the later abolished Department for Education & Employment (DEE). Regulations of the other two programs were established by the Department for Work and Pensions (DWP). While none of the programs are regulated through primary legislation, the regulations for all three programs are provided at the central level. At approximately the same time as the launch of NDYP, education and social service policy were devolved to the constituent countries of the UK.¹⁶ Regulations of the NDYP (DEE 1997) displayed little effort to coordinate labour market measures in the program with education or social services efforts. The NDYP regulations were quite detailed and included specific prescriptions of four different options available to youth in the program, all focusing on work placement or training (DEE 1997; Department of Social Security [DSS] 1998, 25). The later Flexible new deal (FND) and the Work program were regulated through so-called provider guidance, where the options delivered by private contractors were no longer specified¹⁷ but rather a

“black box” approach (DWP 2009a, 5, 21–22; DWP 2010, 2–3, 9). Providers were now encouraged to cooperate with local authorities and other areas of policy such as the education and health care sector, and deliver personalized services based on the individual’s needs (DWP 2010, 9). Most frequent was still training, internships or similar activities, and coordination over policy boundaries was in practice not common (Gregg, interview, 2016-10-20).

While all three programs are explicitly conditional for receiving benefits (with sanctions for not fulfilling requirements), this conditionality became harsher over time (DEE 1997; DSS 1998, 25, 31; DWP 2009a; DWP 2009b, 13, 134–144; DWP 2010, 48) (T. Wilson, Interview, 2016-11-04). This reflects a high and increasing level of intra-coordination through activation. Coordination of benefit payments and service delivery was also organized quite early on. A far going reform promoting coordination was the merger of the Benefit Agency (administering benefits), and Employment Service (administering labour market programs) in 2002 into Job Centre Plus (JCP), which was an executive agency of the DWP (National Audit Office 2008). This coordination of benefits and services extends only to labour market policies and does not include education or social services, which are devolved policy areas and regulated differently among the constituent countries. In other words, JCP reflects only a limited coordination of service delivery, which is actually rather intra-coordination than inter-coordination. The introduction of FND reversed this coordination effort, by opening up for a more fragmented service delivery as private providers were introduced through the regulations of the programs. The joint provision of benefits and job support remained within the JCP, while activation measures (the core of the FND) were delivered through private contractors (DWP 2009a, 5, 10). This division continued with the introduction of the Work program, though during this time the JCP ceased being an executive agency and was instead absorbed into the DWP in 2011. Provision of services continued to be contracted out (DWP 2010, 3–4, 9).

Both countries display an increase of intra-policy coordination in the form of activation requirements in the programs; however, the UK programs clearly display such coordination already in the earlier programs. Regarding inter-policy coordination, in Sweden we see a decrease in coordination over time regarding both service delivery and program content, whereas the UK displays very little of such coordination throughout the studied period.

Coordination patterns and variations in institutional settings

Applying the analytical concepts *fragmentation* and *discretion* on our empirical cases, we now analyse how territorial dispersion, and different instruments of regulatory authority in Sweden and the UK impact on coordination patterns in the studied programs over time.

We find two diverging directions of coordination patterns. The first is a fragmentation of regulatory authority and the simultaneous emergence of coordination (both inter-policy and intra-policy coordination). Against our earlier formulated expectation that fragmented regulatory authority would allow intra-policy coordination but not inter-policy coordination, we find that fragmented regulatory authority may foster both forms of coordination. As pointed out in the beginning of this paper, when regulatory authority is decentralized this impacts institutional settings of different policy areas, which make them more different or more similar. We find that when the latter occurs, coordination over policy boundaries may in fact be eased. There are examples of regulatory

fragmentation in both our two cases, though with different implications for the institutional settings of policy areas and thereby the possibility of inter-policy coordination. In the UK case regulatory authority over some policy areas are devolved matters (and stated in devolution settlements). The fragmentation in these cases also coincide with limited coordination between various policy areas. As demonstrated in the case of Sweden, fragmentation of regulatory authority through decentralization of authority eases coordination over policy boundaries in cases where this creates more similar institutional settings between the involved policy areas. This means that our first assumption is accurate so far as intra-policy coordination is possible, whereas inter-policy coordination is contingent on regulatory fragmentation creating (more) similar institutional settings between the policy areas in question.

Related to the first finding, we also observe that discretion over a policy area plays a crucial role; or rather, the absence of discretion at lower levels of government. Thus, the second pattern we find is that a concentration of regulatory authority in the form of power to legislate/regulate at the central level, coincides with coordination. This pattern mainly regards intra-policy coordination where activation requirements are strengthened when policymaking is concentrated at the central level, as discretion at lower levels over the policy area simultaneously are limited. This is demonstrated by the continuous high level of intra-policy coordination in the UK where lower territorial levels have limited discretion over labour market policies. In Sweden, we see an increase in intra-policy coordination when labour market policies targeted at youth are centralized and the municipal discretion is revoked. We also see that a centralization of power does not necessarily promote coordination between related policy areas. Thus, in the case of intra-policy coordination, our analysis shows that the results are in line with the assumption posed at the beginning of the paper. However, we did not find a legislation over a single policy area allowing substantial discretion to all territorial levels, so here we cannot fully confirm or dismiss our assumption.

Reconnecting to the two state-types that our cases represent; a *decentralized unitary state* and a *regionalized state*, it seems that having regulatory authority at the same or corresponding level(s) is more important for inter-coordination, than whether there is authority to legislate or not. This could be a factor explaining why the UK and Sweden are moving in the same direction regarding coordination in this field, as fragmentation of authority appears increasingly similar while the authority to legislate still diverges between the two countries. What our analysis shows is that while coordination can occur and even increase under both fragmentation and concentration of regulatory authority, different forms of coordination develop under different circumstances. Coordination patterns are impacted by the form of regulative authority and the degree of discretion at sub-national levels, as well as processes of centralization/decentralization and its impact on the institutional settings of policy areas.

Discussion

The coordination patterns identified in this paper demonstrate how institutional settings influence both intra- and inter-policy coordination patterns in labour market policies for unemployed youth. At first glance, it may appear that achieving favourable institutional conditions for inter-policy coordination is quite challenging. At which territorial level

(s) legislative authority over a specific policy area resides, tends to be rather rigid. However, this is not necessarily an obstacle to countering institutional fragmentation, and bringing about a more similar dispersal of regulatory authority between different policy areas. As our results indicate, transferring some mode of non-legislative authority to lower territorial levels (for example in the form of increased discretion regarding policy content and delivery), could facilitate inter-policy coordination without restructuring more fundamental institutional conditions such as power to legislate. This opens up for a possible conceptual development when it comes to institutional fragmentation by focusing on the somewhat more fluid nature of non-legislative authority, separating it from legislative authority. It implies a focus on other forms of regulatory instruments such as discretion, which could prove valuable particularly when studying inter-policy coordination involving human service organizations.

The development of a more nuanced understanding of coordination patterns, particularly inter-policy coordination patterns, is important. Notably so, given that our results display a substantial lack of inter-policy coordination, in contrast to policy recommendations such as the EU youth guarantee which explicitly advocates coordination across policy boundaries for this group. In spite of such efforts of supranational organizations to promote inter-policy coordination in policies targeted at unemployed youth, we have seen a low and even decreasing level of coordination over policy boundaries in the field of labour market programs for youth. What we see instead, is increasing coordination in the form of activation of unemployed youth. These results also say something about how youth unemployment is defined and understood in these two countries. It has been framed as an issue including social aspects which needed attention through coordination over policy boundaries, but also and more obvious as a strict employment issue best dealt with within the realm of labour market policy. This reflects how regulatory authority and its impact on coordination processes can also change how we define and understand a policy issue. Something, which in this case has implications for young unemployed in terms of the policy options open to them, but also how we understand their situation and the expectations they face as a result of it.

Although the choice of countries is a bit unorthodox as it diverges from a bulk of comparative studies where countries with contrary social policy structures are compared, our study demonstrates that less dramatic differences in institutional properties of a state are also an important explanatory factor, affecting the adaptation of new policy ideas. And while changes in regulatory authority are not always dramatic, they may be significant enough to affect if and how coordination between different policy areas occur. This provides an argument for further comparative studies analysing variations in regulatory authority, to gain a more nuanced picture of the structures that may facilitate or hinder policy coordination. The results also suggest that regionalized, or quasi-federal states such as the UK deserve our attention in this endeavour, and should be of interest for future studies on coordination processes.

Notes

1. Territorial organization and governance
2. Social services and social services policy will be used interchangeably throughout the paper and refers to social work related services such as social assistance and social care (sometimes referred to as “personal social services”).

3. Rules and guidelines, for ex: provider guidance.
4. JSA is an unemployment benefit and part of the social insurance system, eligible for unemployed over 18 who are seeking work.
5. Regulations, legislation, ordinances and strategic papers.
6. They performed certain coordination tasks in the field of labour market policy during the 1990s. They have also been involved in some programs for rehabilitation toward labour market re-entry.
7. The central government of the UK has the authority to legislate even on devolved matters without the consent of the national government/parliament, and to reclaim previously devolved powers. In accordance with the convention of devolution, this has however never occurred.
8. Primarily law are acts of parliament and do not depend on other legislative authority. Secondary legislation is often enacted by a minister and further details the subject of a primary law.
9. The last safety net administrated and paid by the municipalities
10. And for certain benefits and child protection, national level.
11. *The law on municipal responsibility for youths*
12. *The law on municipal responsibility for youths between 20 and 24 years old*
13. The County Labour Board retained overall responsibility for labour market policy at this time
14. The 2§ in the contract for KUP excludes participation of youth enrolled in a national upper secondary school program.
15. Eg. Youth who did not qualify for JUG, Prop. 2006/07:118
16. Devolution for all UK constituent countries began in 1998.
17. In the FND 4 weeks of maximum 12 months should be work-based activity

Disclosure statement

No potential conflict of interest was reported by the author(s).

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Appendix 1. Empirical sources

UK1

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Interviews

Dan Finn, Professor, School of Social Historical & Literary Studies, University of Portsmouth

Paul Gregg, Professor, Department of Social & Policy Sciences, University of Bath

Tony Wilson, Institute Director, Institute for Employment Studies

Pontus Ringborg, Chief Secretary, Delegation for the Employment of Young People and Newly Arrived Migrants (DUA)

Tor Hatlevoll, Analyst, Swedish Association of Local Authorities and Regions (SKL)