Innovation of Employment Services for Vulnerable Groups

–The Case of Denmark


Introduction

This paper addresses the challenge of enhancing employment for the most vulnerable groups in society, which increasingly has been recognised as a main political challenge in the developed world. There are many arguments for giving this political priority; going from the competitive argument about enhancing employment to maintain economic sustainability in the welfare state to the social argument of giving vulnerable citizens a meaningful life. The political attention to this challenge has furthermore been accentuated because of the limited success so far to increase employment for this group. If we look across welfare state types, even in the countries with high employment rates in the north of Europe, a huge part (from 15-20% and up) of the population of working age are more or less permanently placed outside the labour market (Bredgaard et al. 2015). The most popular political response to this challenge is embedded in welfare-to-work or activation policies that have been sweeping across the western world the last two decades. Although there is considerable debate on how these policies should be defined, which partly reflects the debates about varieties of activation (see Barbier & Ludwig-Mayerhofer 2004, Heidenreich & Rice 2016), we see that consequences of these policy reforms are strengthened conditionality of benefit entitlements and work as well as activation obligations of benefit recipients (Caswell et al., forthcoming). In other words the political solution has primarily been to transfer the more disciplining and regulatory approach used for the more easy to place unemployed to the more hard-to-place and more vulnerable unemployed. Hence, we have seen a considerable broadening of the target group for welfare-to-work and activation policies. This strategy is often backed up and legitimised by evidence-based knowledge demonstrating that such type of incentives actually work. However, this poses a problem as this type of knowledge is often based upon studies of the more easy to place unemployed while being quite limited regarding specific studies of the more vulnerable groups of unemployed.
The success of this strategy to enhance employment for the group of vulnerable unemployed has, so far, been limited. The starting point for this paper is therefore to address some of the blind spots of the dominant ways of producing and disseminating knowledge of labour market policies. During our years of doing research within the field of labour market policies and practices, we have witnessed an increasing mismatch between the mainstream scientific research agendas and the actual challenges facing the Street-Level Organisations (SLO) responsible for delivering active employment services. The goal of this paper is to propose a new direction for research to make innovation in the field of enhancing employment for the vulnerable groups in society. We especially address the following two issues with the current research agenda:

*The sharp division of research between studies of formal policies and studies of the contexts that frontline workers and clients navigate in.* So far both empirical and theoretical research has tended to pursue a one-sided institutional focus on either policy content (policy, programs and services) or the governance of policy (implementation, management, and organisation). The increasing interdependence between ways of “doing policy” and “policy delivery” makes this academic division of research interests increasingly problematic (see e.g. Brodkin 2013, Larsen 2013 or Borghi & Van Berkel 2007). Furthermore, the client perspective is given surprisingly limited attention in both the research on policy and governance of activation services. Combining a policy perspective with an institutional perspective and a client perspective could therefore hold a positive potential for developing knowledge that can improve the labour market participation of the vulnerable unemployed.

*The one-sided knowledge production and how it is applied in policy making and everyday practices.* The rise of evidence-based policy and practices in the areas of employment and social services in the last decade, has illustrated a stark contrast between the knowledge that frontline professionals find useful in their everyday interaction with clients, and the knowledge disseminated by the central administration.

The focus of this paper is to elaborate on these points by developing a conceptual framework that can help further a research agenda where the success (or lack hereof) of the employment services is studied in relation with the complex interplay of institutional, organisational and client-specific contexts. And where evidence-based knowledge promoted by the scientific community is not replacing or subverting the (tacit) knowledge of the frontline personnel.

To illustrate how such an alternative approach for innovation can be elaborated, we use Denmark as case. Denmark constitute an exemplary case here being one of the world’s top spenders on welfare-to-work and activation policies, but also with limited success in relation to enhancing employment for the vulnerable groups. Despite numerous policy reforms and a complete revamp of the governance structure of the employment services, around 15-20 % of the population of working age are on some kind of social assistance benefit in Denmark. This percentage has not changed considerably for more
than a decade despite changing economic conjunctures as seen in figure 1. It is mainly the insured unemployed who enhanced their labour market participation during the economic upturn between 2004 and 2008, while the uninsured – which typically are the more hard-to-employ and vulnerable group of unemployed – saw no significant rise in employment rate.

![Full-time recipients of cash benefits as percentage of the population between 16-66 of age, in Denmark](image)

Although the paper focuses on Denmark as a specific case, the goal is not to present and analyse new empirical data, but rather to connect existing research and policy reforms with experiences from our own past empirical research, thereby developing an alternative conceptual framework and research agenda for studying labour market policies and services. This may be a somewhat unconventional approach, but the method can be explicated in three steps of analysis. Firstly, a description of the major policy, governance and organizational changes of the Danish employment services during the last 15-20 years; Secondly, an overview over the dominant and mainstream ways of producing the knowledgebase behind these changes; And finally, analysing these trends in relation to the challenges and problems that face the current practice of the Jobcentres responsible for delivering active employment services. It is thereby possible to compare the problem representation and solutions in the policy reforms, and the research justifying these, with the problems and solutions regarded as salient by Street-Level Organizations, front-line workers and clients. This approach can help identify possible gaps between the different ways of “informing”, “doing” and “delivering” policy for the vulnerable unemployed, which is the first step in rethinking and innovating these processes.

The structure of the paper is as follows. To illustrate how policy reforms and governance/operational
reforms are interrelated we in the first section present the Danish policy developments followed by a second section about governance and operational reforms. In the third section we add an important component in the described reform developments namely how the production of knowledge (to assist and legitimise these reforms) has developed the two last decades. In the fourth section we discuss the described policy, governance/organisational and knowledge production in the light of the limited success of enhancing employment for the vulnerable groups of unemployed; What type of challenges seems to emerge from these if to point at new ways of making innovation in employment services for the vulnerable groups of unemployed? Finally we end the paper by presenting an approach inherent in a new research project on how to make innovation of employment services for vulnerable groups: The LISES project.

1. The Danish policy context: Continuous reforms of welfare-to work policies and activation

As many other OECD countries, Denmark introduced several policy reforms in the mid-1990s aimed to transform the mainly unconditional passive social compensation into more active employment and social policies. This change is well-documented and has been described as a shift from welfare to workfare (Torfing 1999; 2004), from social integration to social disciplining (Larsen et al. 2001; Larsen 2009), from active to passive employment polices (Andersen & Pedersen 2007), from a Welfare State to a Competition State (Pedersen 2011) or an enabling State (Gilbert 2002). In spite of the different concepts that are used to describe the development, researchers agree that the shift implies an increasing focus on bringing people into employment by both using elements of compulsion, sanctions and demands and by enhancing competencies and qualifications of the unemployed. Studies show that these changes in policies have in part come about as a consequence of new ways of categorizing the majority of social assistance recipients as either fully or partly ready to work (Nielsen 2015; Marsston et al. 2010). This supports the political view, that the problem confronting most benefit claimants are their employment situation, which in effect gives rise to a whole plethora of work-first inspired policy changes that seeks to enhance the individual’s incentives to get a job. Especially since the centre-right government took office in 2001 the Danish employment policy has shifted towards a focus on the fastest possible route back into employment (any job is better than no job). This has caused less focus on enabling elements as training and educational offers and stronger emphasis on regulatory elements as work-ability testing, tougher availability criteria and tests, stronger sanctions for breaching obligations and shorter duration of the right to receive benefits and economic incentives for being in work (e.g. tax-credits or welfare benefits/services when employed).

However, it would be a simplification to view every Danish employment-policy reform in the last 20-15 years as only work-first initiatives. Recent reforms of social assistance and early retirement schemes, introduced after a new centre-left government took office in 2011, has marked a resurgence
of a more holistic approach to the vulnerable unemployed and a stronger focus on education as a way out of unemployment. It is too early to judge whether these trends marks an alternative path in the Danish employment policy, especially given the fact that the same reforms have also led to diminishing levels and durations of the economic support for many benefit claimants. Furthermore the opportunities to sanction more vulnerable clients have been increased. In short, the Danish case converges with the developments in employment policies in most western countries with a gradually increasing focus on active work-first inspired measures. At the same time, and perhaps not very surprisingly, policy reforms does not follow a linear path but shifts with changing constellations of power, ideological waves and economic conjunctures. As these formal policies shift back and forth in congruence with the dominant political constellations, the more lasting and almost irreversible changes tends to arise from more subtle changes to the institutional and operational setup of the employment systems as we now will turn to in the next section.

2. The Danish governance and organizational context: Disciplining the agencies and front-line workers

Several institutional changes have been made in the last 10-15 years to overcome a perceived implementation deficit where the municipalities in general implemented a more lenient approach than the formal policies described above envisioned (Larsen 2013). As soon as the centre-right parties took government in 2001, they declared their intention to set up a new “one-stop” employment system by merging the national Public Employment Services (PES) and municipal employment services. They wanted to create a full transfer of responsibilities from the PES to local governments, including a coherent benefit system. In 2007, with a local government reform (reducing the number of municipalities from 270 to 98), the new organisational construction of municipal jobcentres was introduced. And in November 2008 the Government made the decision to fully municipalise the employment services from 1st of August 2009. This changed the decision making room of municipalities and their local welfare agencies considerably. Thus, the new public management dictum of “steering not rowing” was introduced as part of the municipalisation of employment services. The result was a new governance system with a new mode of “decentralised centralisation” (Larsen 2013). As a means for central control, the ministry of employment did set a number of performance goals. The job centres where then monitored regularly and there was an annual audit to see how they performed and met these goals. However, it is not only this goal-setting system and the threat of sanctions that provides a strong incentive for municipalities to perform; this system goes beyond the goals stated for each municipality to measure a wide range of activities and effects of the activities of the job centres. It is furthermore open to public inspection and designed to benchmark municipalities with similar conditions (naming and shaming). This system seems to be quite effective in changing behaviour, especially in
making the municipal job centres pursue the type of activities and performance measured (Larsen 2009, Larsen 2013).

Another important aspect of the new municipalised employment services was that the municipalities became obliged to make an organisational distinction between the job centre and a social assistance and social policy department. The job centre was only allowed to work with one single problem: Getting people into work. The intention was to increase the focus on employment and decrease the focus on social problems. Finally, the creation of this NPM-inspired system and the creation of new organizational unit were also accommodated by several reforms of the state’s reimbursement-rates for the municipalities’ activation- and benefit-costs. In the mid-00’s the reimbursement-rates were lowered for recipients who were not in activation and in 2010 it was further lowered for certain kinds of activation that the government deemed less effective. The reimbursement-system has again undergone changes in 2015 so that the rates are no longer differentiated across a passive-active divide or between different activation measures. Instead, the rates are declining over time, so that the municipalities have a strong economic incentive to get people out of unemployment as fast as possible. This system has only functioned since January the first 2016, so it is still too early to tell what kind of strategies this will impose on the municipalities. On the one hand, the municipalities are given greater economic freedom to choose the measures they find most useful for the client. On the other hand, the municipalities’ incentives to invest in costly activation are surely reduced especially for the long-term unemployed.

This newfound freedom for the municipalities to choose activation measures can also be seen as part of a larger trend in recent years where the pendulum swings away from NPM-inspired governance forms. Several studies have showed that these operational reforms have not lowered cost, increased efficiency and led to better implementation and results – instead quite the opposite has happened (Hood & Dixon 2015; Møller et al. 2016). Similar results can be found in studies of the Danish employment system, which shows an increase in the time frontline workers spends documenting their activities (Larsen 2009; BDO & Quarttz+Co 2014) and that several frontline workers actually feel that they have to break the rules to be able to give the clients the help they need (Baadsgaard et al. 2014, Caswell and Larsen forthcoming). This is probably part of the reason why some of the specific performance goals and audit requirements were abolished with the employment reform in 2014 – for example the requirements for the municipalities to define local quantitative goals and prepare the yearly result-audit. But just as the resurgence of other policy-goals than work-first was accompanied by stricter sanctions, the relaxation of NPM-inspired governance does not necessarily entail less governing from the central administration and more municipal discretion. Especially the still existing monitoring system (jobindsats.dk) is powerful in affecting municipal behaviour. On top of this a new form of systemic evaluation governance is replacing or supplementing more traditional performance-based governance. This is explained in the next.
3. The knowledge context: Applying the golden standard of evidence-based knowledge

The unemployment services has always been one of the most evaluated policy areas in Denmark (Albæk & Rieper 2002), but like other areas of public evaluation the dominant evaluation trends are constantly shifting (Vedung 2010). In the last two decades we have seen a revival of effect evaluations and randomized controlled trials under the heading of evidence-based knowledge (Hansen & Rieper 2007). Although the first RCT-study conducted on Danish employment measures dates back to 1996 (Langager 1996), a whole variety of different forms of evaluation methods where used to judge the activation measures, policies and implementation processes in the employment system back then (with a preference for program and process evaluations). Today we see a different picture as a narrow definition of evidence-based knowledge is part of the official strategy for the Ministry of Employment and the national employment policy authorities (STAR). This definition ranks knowledge through an evidence hierarchy where only effect-evaluations are considered as valid knowledge. Hence, knowledge gained through Meta evaluations and RCT-studies are considered the highest and most valid kinds of knowledge. The ministry of Employment and STAR are systematically producing and disseminating knowledge of “what works” in the employment services and have furthermore created a web-based knowledge bank at the domain “jobeffekter.dk” based upon RCT studies. It is also RCT studies that are the basis for policy recommendations to central politicians and the local job centres. The strategy of developing an evidence-based employment policy is furthermore being promoted by supervisory bodies, such as The National Audit (Rigsrevisionen) and The Economic Council (DØR) as well as the powerful Ministry of Finance who use the evidence-based knowledge to calculate the costs and effects of major policy reforms.

It seems evident that the government and the aforementioned agents of the central administration are eager to make the local job centres act accordingly to the evidence-based knowledge when choosing activation measures, local policy goals etc. But the local municipalities have been reluctant to follow suit. This is partly because of the way the evidence-based knowledge both explicitly and implicitly disqualifies the knowledge and experience of the frontline professionals, which creates a general mistrust of the evaluation knowledge handed over from science to practice (Krejsler & Christensen 2015). But even when there is an intention to locally implement a practice based on evidence-based knowledge it can be challenging given some of the choices and rationales inherent in the evidence-based methods. The evidence-based knowledge promoted by the ministry of employment seeks to answer “what works” in the employment services, but answering this question requires a very specific and measurable set of goals, a uniform group of unemployed and a rather short time-span to attain these goals. Hence, these studies tend to apply a kind of reductionism in simplifying the actual problems as the goals and problems of the individual unemployed vary enormously across different types
and categories of recipients. Another problem is that it can be hard to properly define the instruments and methods applied in the actual implementation of these. For example, when educational offers often are assessed as an instrument with low (or even sometimes negative) effects the instrument in itself can vary from short courses with only job searching activities to longer courses in the established educational system. A recent example of this type of problem is RCT studies showing that meetings/interviews have high effects in bringing unemployed in work. However, it has turned out to be more than difficult to implement this properly in practice as it has not been specified what the conversations with the unemployed should be about (Rosholm et al. 2010). Finally, there is a problem with the combination of instrument and methods applied when effects are measured. Some type of instruments and methods, for especially vulnerable groups, will often be the first, second or third (or more) instrument before employment. But only the last one applied will be measured as having effect.

All these dilemmas make the practical use of evidence-based knowledge by frontline professionals rather limited. However, the resent reform of the reimbursement-system could potentially increase the use of evidence-based knowledge in the job centres. The new system places a substantial economic burden on the local municipalities if they fail to get the clients out of unemployment within a year. On the one hand this can lead to the development of new innovative approaches in the local employment services. But it can also mean that only measures promoted by substantial evidence-based knowledge are tried. It is too early to assess the impacts of the new reimbursement-system, but given the recent history of strong centralized control with the local employment services, it seems unlikely that the job centres remain free to ignore the knowledge promoted by the central administration.

4. Challenges for developing effective employment services for vulnerable unemployed in Denmark

As this short description of the recent Danish developments of the employment services clearly shows, this is a policy area under constant change and reform. But the question remains whether these substantial and operational reforms have led to the promised results? If the goal was to close the gap between the political intentions of a stricter work-first practice towards the unemployed and the frontline workers more traditional social-work ethic, then several studies show that this compliance gap to a large degree has been closed (Larsen 2009, Larsen 2013, Bredgaard 2011). The local practice is more in line with a work-first strategy today than a decade ago. The target group for this policy has furthermore been broadened to enhance employment for more vulnerable groups of unemployed, a group that previously would have been part of social policies. But if the goal was to help the most vulnerable clients getting a foothold on the labour market, then the reforms can hardly be
seen as a success given that the level of social benefit recipients have been the same for more than a decade.

Seeing these trends in policy, governance and research from our own research and experience, some of the most prominent challenges, for enhancing employment for the group of vulnerable clients, seem to be: 1) A policy direction that is more effective for the ready-to-work than the group of unemployed with problems beside unemployment. 2) Governance and organizational reforms that discipline not only the unemployed, but also the service agencies and their front-line workers to implement a stricter work-first policy. This is furthermore embedded in NPM reforms that have its focus on selected measureable goals adding another layer to the reductionism in the political and administrative thinking of policy problems and solutions. This challenge the front-line workers “mediating” role between implementing political intentions of increasing incentives and acknowledging the complex problems experienced in practice. This is especially critical for citizens with multiple barriers for getting into employment. 3) An underlying top-down oriented knowledge paradigm, giving RCT studies a status as nearly the only valid basis for political decisions and practices. In the following section we will elaborate on these three types of challenges.

Regarding the challenge of a policy direction towards welfare-to-work and activation policies that seem less effective for the group of vulnerable unemployed this of course also is embedded in a political or even ideological reasoning and thereby to some extent a political priority. However, besides being a political issue it is obvious that it is quite difficult to make this group of vulnerable unemployed react upon strengthened economic incentives. They will often have many other barriers for taking up employment than lack of motivation. At such there seems to be a discrepancy between the political perception of policy problems and solutions and the real life problems for the vulnerable group, and between the compulsory requirements in policies and the ability/motivation for the most vulnerable groups to live up to these. Although some international studies have found evidence for a correlation between higher effects and client experiences of being integrated in services (see e.g. Hasluck and Green 2006) this perspective is given surprisingly limited attention in policy and practice. The client perspective is often affiliated with questions of legal rights, deservedness, welfare needs, or what you receive as a client, but more rarely assessed in relation to the process of service, or how you receive services and benefits. And even more seldom this is assessed in relation to how this affects the effectiveness of services.

Another problem is that this policy direction is based upon a supply sided approach. This means that it relies on the premise that increased motivation of the unemployed in itself will lead to employment. But as the figure on employment rates for this group may indicate the demand of this type of labour is limited. In other words the market cannot in itself solve the problem. It is depending on the employer’s engagement and participation (for example corporate social responsibility) or other type of
employment (for example social enterprises). The demand-side and the employer’s role have gradually been left out of sight concurrently with the prevalence of welfare to work and activation policies. There seems however to be an increasing recognition of this precondition for enhancing employment for this group of vulnerable unemployed. This can be seen both among policymakers (STAR 2016), the implementing municipalities (KL 2016) and the research community (Madsen et al. 2016; Bredgaard & Halkjær 2016).

Regarding the high number of governance and organizational reforms, embedded in general NPM inspired public sector reforms, this certainly has affected the implementation process and policy delivery. One part of these operational reforms can be seen as intentionally directed towards a purpose of changing the implementation process towards more standardized and disciplining approaches in the employment services. In the Danish case this has been affiliated with a process of disciplining the front-line workers by reducing their former discretion based on values and norms from the social worker profession (Caswell and Larsen forthcoming; Larsen 2013; Jørgensen et al. 2015). Another part of these reforms are embedded in general public sector reforms with the purpose of increasing efficiency by combining decentralization and new forms of accountability made through performance management and economic incentives (introducing a principal-agent way of thinking). In other words the intention has been to shift from input to output control of the employment services. In the Danish case we have witnessed a hybridization of in-put oriented traditional (procedural) governance, out-put oriented corporate and market governance, however with an increasing emphasis of out-put oriented governance. The result has been a higher specialization of services and thereby also a more fragmented system, with single implementation units being responsible for certain measureable output goals. As pointed out by several public administration researchers this has not only created a huge bureaucracy but also a very fragmented system. The out-put orientation on measurable performance indicators (e.g. the use of certain instruments or methods) has furthermore moved focus away from relational (and process-related) work between frontline workers and vulnerable unemployed. Some researchers argue that we now see a change in NPM towards new forms. Some point at NPG (new public governance) as the replacement “putting the system back together” by emphasizing integrated services and co-production with the citizens (understanding the citizens as a co-producer rather than a consumer of services) (Lægreid et al. 2015; Christensen & Lægreid 2013; Torfing & Sørensen 2014). Both the intentional operational reforms of disciplining the frontline workers and the general NPM public reforms do have difficulties in addressing the multiple problems and complexity of getting vulnerable unemployed into employment. This seems to be an acknowledged problem among municipalities and researchers and although this is not an easy task to change, there is currently much focus on how to make more integrated services and co-production, especially among the implementing Danish municipalities (KL 2016).
Regarding the top-down oriented knowledge paradigm, giving RCT studies a status as nearly the only valid basis for political decisions and practices, some of especially the methodological challenges were listed above. Two main challenges are to be mentioned here. The first one is the problem of how to transfer this context independent type of knowledge from research into the practice of employment services. The creation of the knowledge bank (jobeffekter.dk) based upon RCT studies illustrates this problem very well. Although it is meant to be an instrument for the front-line workers to assess the likely effects of different instruments and methods applied for different target groups it is hardly used by any of the front line workers. There seems to be a long way from the knowledge produced by research independent of the context in which it is implemented to the everyday complex problems experienced by the implementing agents. The second challenge is the problem of integrating not only the effects of the instruments applied but also how they are implemented. It may be just as important not only what services and benefits you as unemployed receive, but also how you receive them. The level of the citizen’s trust in the solutions chosen and the involvement in the decision made (empowering the unemployed) can be decisive elements for success (Danneris & Dall, forthcoming). This type of trust and empowerment building is a crucial part of the institutional meeting between the frontline worker and the client and the process or relation work that follow from this. This type of complexity is hard to include in the evidence-based knowledge paradigm.

Following from these challenges we wish to argue that a positive change for the most vulnerable clients cannot be achieved by one-size-fits-all policies, measures and knowledge as it to a large degree hinges on the interaction between frontline worker and client. Thus it can come as no surprise that formal policies ignoring the complex problems many clients face, governance structures decreasing frontline discretion and evidence-based knowledge subverting professional judgments and experience are bound to have only limited employment effects. The point is not that the politicians, governing bodies and researchers should simply adhere to the whims of the frontline professionals and clients. But it is crucial that the local practice and organization is at least taken into consideration if the policy goals are to be met. To return to a point argued previously: it may not only be a question of what services and benefits you get as a citizen (and how these are governed), but also how you get them.

5. A way forward – Local Innovation in Social and Employment Services

As the preceding discussions have shown there are several problems in the current dominant ways of doing policy, delivering employment services and utilizing scientific knowledge in the field of employment service for vulnerable groups. This paper have illustrated some of the major gaps between the official understanding of policy problems and the reality in the local municipalities; between the
governance and management of street-level organizations and the challenges that frontline workers and clients face and between the knowledge disseminated by the research community and knowledge requested in the street-level practices. This paper thus argues that all these incompatibilities are part of the reason why Denmark is facing major challenges in improving the labour market participation of the most vulnerable unemployed. Naturally such complex and far reaching issues cannot be solved by a single quick-fix, given that they are rooted in deep-seated traditions and understandings in both the field of employment policy and the research communities. However, this closing section will try to sketch a possible way forward by presenting a new research project that in its focus, methodology and goals are aiming to bridge some of the above mentioned challenges in the current way of “doing”, “informing” and “delivering” employment policy in Denmark.

The Research Project is called “Local Innovation in Social and Employment Services” (LISES) and as the title indicates, the goal is to rethink and promote innovation of the social and employment services for the most vulnerable unemployed in Denmark. The project is a four year project funded by Innovation Fund Denmark and made in collaboration between Aalborg University, the Association of municipalities (KL) and two Danish municipalities (Holstebro and Herning). Four more municipalities are to be included during the four year period. The project is replicated in Norway funded by the Norwegian Research Council and carried out by the Work Research Institute (AFI) at Oslo University.

Addressing the challenge of enhancing employment for the most vulnerable groups in society the project’s aim is to contribute to more innovative employment services in the Danish municipalities. The point of departure is that such new innovative models must acknowledge both political and organizational issues as well as how citizens’ behaviour and attitudes are shaped by these. An important aim in the project is therefore to invent new models for including the client’s perspective in ways that both can improve the quality of the cooperation between the clients and professionals in job centres or benefit offices and lead to more effective services. Hence, the project’s point of departure is that the client perspective is of immense importance for policy and its possible success.

The approach is deliberately chosen to be open, but five assumptions, based upon the above described challenges and recent findings in national and international research, for where to find potentials for more effective and innovative services have been formulated:

1) Combining a political and organizational readiness to adapt to overall changing policies and financial conditions and internal firm strategies for the content and qualities of employment services holds a positive potential for improving the results of the implementation of employment services.

2) Integrated services across sectors and organisational units seem to improve both the effectiveness and efficiency of employment services, (e.g. by continuous care, information and knowledge sharing between professionals, avoidance of duplication and gaps in the delivery, reducing waiting times and
thereby better and quicker identification of the needs and of the adequate responses, reduction of service costs by limiting multiple interlocutors and repeated interventions, etc.).

3) The institutional interaction (such as meetings and conversations) between professionals and clients is crucial for the effectiveness of services, why factors like institutional and organisational settings, knowledge of the dilemmas and complexities of institutional interactions, innovative responses to identify client needs and qualifications and skills of front-line workers, are important in order to deliver better outcomes.

4) The role of the client and the possibility for actual client participation is essential to achieve the goals of active welfare policies and employment services. Personalised services with elements of empowerment seem to have a positive impact on labour market participation.

5) Employment services for vulnerable groups entail employment (and employer) related services. The precondition for higher labour market participation is matching labour market demands, employer expectations and employer engagement in services.

The assumptions have been selected and constructed through a process that includes dialogue with actors in the field of practice as well as identification of previous research that support each of the assumptions. The assumptions structure our empirical work, but at the same time they are continuously challenged and/or validated by new knowledge arising through our work in LISES.

The set-up of the project is in several aspects different from most other attempts to make innovation into employment services in a Danish context. The project is based upon new approaches to cooperative knowledge production (CKP) (Hüttermann & Sommerfeld 2008) and collaborative innovation (CI) (Sørensen & Torfing 2011). Traditionally the exchange processes between research and practice has primarily focused on information through publication (research finding and writing up results and practice using this to act accordingly). This approach has been criticised for its hierarchical structure and the lack of feedback opportunities from practice. As such CKP can be seen as an alternative approach to develop evidence-based practice without the traditional problems inherent in this such as “lower-than-anticipated enthusiasm of practitioners”, the problem of oversimplification of the dilemmas and complexities of practice as well as substantial difficulties in implementing new practices. Another inspiration comes from the development of collaborative innovation (CI) approaches. Like the CKP approach, perspective stresses the collaborative and relational element when using new knowledge for innovation in a public sector setting. In order to promote innovation a number of actors need to be engaged in the exchange of new ideas, new knowledge and possible new solutions to the complex and ‘wicked’ problems in the welfare state. It is insufficient for researchers to develop this knowledge without feed-back and dialogue with professionals in the welfare state organisations, as it is often the case in attempts within evidence-based approaches to develop efficient methods. A
CI approach stresses the necessity to engage actors from different levels of the public sector, managers as well as practitioners in close collaboration with researchers to develop new ideas for solutions in an innovative way. Hence, throughout the project there will be close collaboration between the research team and a number of dedicated professionals and managers in the municipalities. Applying CKP and CI approached implies a certain openness towards the expected output and outcomes. This does however not mean that success indicators can’t be specified. These are linked to the analysis, and the attempt to validate and test the five above described “a priori” outlined assumptions. This collaborative approach is the key to understand the novelty and potentials of the project and the new approach. First of all, the two local municipalities function both as sites of empirical research, but also as co-producers of knowledge. This dual-role enables the project to address several of the critical challenges previously mentioned. By seeing the municipality as co-producer of knowledge, the researchers and municipal employees experience shared goals and responsibilities, which help create an equal and less hierarchical relation between science and practice. This is done by facilitating five ‘Mutual Innovation and Learning Platforms’ (MILP) around the assumptions where the researchers meet with employees and managers from the jobcentres. The MILPs function as rooms for discussing the research findings and gaining a better understanding and interpretation of these. This furthers the production of knowledge with great relevance for the everyday practice of the frontline workers. Instead of a typical one-way relation, where researcher hands over knowledge to practitioners that may or may-not find this knowledge useful, the relation in the LISES-project is reciprocal because the practitioners help guide the attention of the researchers to the areas of utmost relevance.

The starting point of the collaboration between research and practice is a number of week-long field studies where the group of researchers (5-6) are present in the two municipalities doing observations of meetings and conversations, walk-alongs with practitioners and interviews with clients, front-line workers and management. As a core part of these field studies we have developed the MILP in order to exchange knowledge between research and practice. A MILP is a 2-4 hour long interaction with researchers and practitioners where the practitioners have chosen which MILP they want to participate in based on which one of the assumptions they find most relevant and important. 2-4 researchers and 3-8 practitioners have participated in each MILP.
The MILP are initiated by the researchers with a point of departure in the world of research. One method is to draw on literature reviews contribute to outline important findings regarding the chosen assumption and taking these as a point of departure for the interaction with the practitioners and their knowledge (mainly assumption 1, 2 and 5). Another method is to draw analytical concepts and perspectives from current research and use these to engage with analytical discussions of current practice in the municipalities (mainly assumption 3 and 4). The model above illustrates the way we approach knowledge in LISES: not as something research have and pass on to practice (knowing better), but rather as something that exists in both worlds and thus as something that must be exchanged and mutually challenged (knowing differently).

By placing the municipal jobcenters as both co-producers of knowledge and sites of empirical research, this approach also helps further the production of knowledge of critical importance for the research communities’ understanding of the complexities of Street-Level Organizations (SLO’s). The level of trust in the equal relation between researchers and practitioners gives us an almost unlimited access to every part of the two municipal employment services – from jobcentre manager to the individual client – thereby making it possible to shed light on processes and connections that researchers otherwise seldom see. This privileged access to the inner-workings of two jobcentres makes it possible to study how SLO’s are both “doing” and “delivering” policy, which can further the expanding research on SLO’s as mediators of both policy and politics (Brodkin 2011; 2013; Larsen & Caswell 2015).

We can thus follow how policies are adapted and transformed as they travel from the central administration, through local management meetings and firm strategies and all the way down to the meeting between front-line worker and client and finally how this is perceived by the client her-self.

The theoretical focus on SLO’s combined with a collaborative approach to knowledge production, highlights how a reciprocal and equal relation between science and practice can be mutually beneficial by informing both the scientific field of street-level research and the practical workings of employment policies and practices (as also pointed out by Hüttermann & Sommerfeld 2008). Furthermore, by linking different scientific methodologies – from micro-sociological conversations analysis to traditional policy-analysis - the project encompasses a variety of different social science approaches bridging both the micro/macro and the quantitative/qualitative divide, which aims to bridge the traditional gap between policy, organizational and implementation research on street-level bureaucracies. The intention behind choice of methods and research object as well as the novel approach to knowledge-production and -dissemination is to address the shortcomings of current policies, management, practices and research on employment services. Of course, research-design and intentions does not cut it alone, why the true potentials of the LISES-project’s approach hinges on the actual findings and outcomes. As of now the first steps has been taken with this papers conceptualization of a new research approach to studying the policies and employment services towards our most vulnerable citizens.
Concluding remarks

The development of active employment policies in Denmark, as well as many other countries, has illustrated a substantial societal challenge, when it comes to enhancing employment for the most vulnerable unemployed. Furthermore, the research on the area has been mainly focused on unemployed with little or no problems besides their unemployment, although this knowledge has to a large degree been used to develop measures and policy reforms for the whole group of unemployed. The success of this strategy has, so far, been limited. We argue that the goal of including a greater share of the harder to place unemployed on the labour market is not likely to be obtained through the tried and tested ways of developing knowledge, policy and practice. Rather we suggest a different approach to generating and exchanging the necessary knowledge for developing active employment policy and practice. In the LISES research project we attempt to develop ways in which to qualify the knowledge exchange between research and practice. We draw on existing models of CKP and CI promoted by previous research and develop this further by the use of MILPs in a project aimed at research as well as innovation. Previous research indicates that there are a number of potentials that this new approach could help realising. One potential is to strengthen the responsiveness of the employment system regarding the perspectives of the unemployed. The importance of the self-efficacy of the unemployed has recently been showed to be essential for the success of the active employment policy efforts. If the client does not believe in or can see the meaning of the given measure, it is very likely that this measure will fail. Another potential is turning the attention less towards the general aim of enhancing the motivation of the individual unemployed and more towards developing the match between labour market demands and employer expectations on the one hand and the unemployed on the other. And finally one further potential should be addressed here: the role of the Street-Level Organisations. Rather than regarding these as a last and possibly troublesome link in a chain of policy delivery, we take the position that there lies a potential in regarding these organisational units as knowledgeable agents. In depth knowledge of the complex problems facing the most vulnerable unemployed, as well as local knowledge about the labour market, is necessary pieces of the puzzle when it comes to addressing the societal challenge of including a larger part of the hard to place unemployed in societal communities, such as the labour market. Thus the SLO’s must be part of a knowledge exchange between research and practice, rather than just be on the receiving end with a “less-than-anticipated enthusiasm” for the research based knowledge provided.
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¹In figure 1 “all benefits” are defined as full-time persons on either unemployment benefits, sickness benefits, early retirement, disability pension, rehabilitation benefit, integration benefit, Flex-job and cash benefit. The “Uninsured benefits” contains the same benefit types except Unemployment benefits and early retirement.