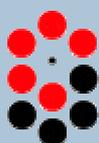


# ***Building Local Governance in Denmark: Nationally legislated local partnerships***

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## The Study

Local partnerships have become an important strategic element in active social policy in Denmark. In order to progress towards the parallel objectives of increasing employment rates and creating a more open and inclusive labour market, improving local collaboration is considered paramount. Accordingly, the municipalities (which in Denmark are in charge of implementing most social policies and carry a large share of the financial burdens) have since 1999 been obliged to have a local coordination committee. Law determines the composition, the competences, and the main tasks of these committees albeit there is legal room for some variances.

The paper discusses pros and cons of nationally mandated local partnerships. One positive effect is that in some settings, the law have initiated local cooperation that otherwise would not have taken place or not reached the volume it has now. This has probably had a positive effect on reaching policy objectives.

In other settings, the mandated coordination committees have collided with already functioning local partnerships. The paper analyses one such case. It compares the old and the new forum for local collaboration with regards to participants, issues treated, resources available, and influence vis-à-vis the municipality and vis-à-vis enterprises and workers.

The results of the empirical analysis are used to discuss theoretical aspects related to the ongoing governance debate. Most governance literature emphasise the potential of involving local level actors through partnerships and networks and discuss how such involvement may improve societal regulation. The paper analyses the apparent paradox that local partnerships are mandated through hierarchical structures (law) and discusses the consequences hereof with regard to central features such as the degree of commitment by non-state actors and the longevity of the partnership.



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## **Introduction**

The relationship between levels continues to be an underexplored issue within governance literature. What may be called the first generation of governance studies has focused on the interdependence between actors (particularly on how this affects the state's ability to govern) and on local authorities' governing capacity in the light of increased decentralisation of both decision power and provision of services and administration.

Nationally legislated local partnerships were introduced in Danish social policy in 1999. Empirically, the event is remarkable because collaboration between municipalities, social partners, and other actors regarding social policy matters previously was random and occasional. At first sight, the innovation contains elements that parallel the traditional involvement of the social partners in employment and labour market policies. Yet the mandated local partnerships are distinct on so crucial issues as the body of actors involved, the level of government it corresponds to, the competence enjoyed by the participants, and the nature of the issues treated.

Theoretically, the initiative propels questions relative to the conditions under which governance, local as well as central, is developing. Much governance literature distinguishes between different forms of governing such as hierarchy (governing by law), market and – a form that has received particular attention – network governing (e.g. Kickert et al. 1997; Rhodes 1997; Bogason 2000). The focus on the local level and on the involvement of non-state actors leaves at times the impression that the influence of national governments is significantly reduced. Such assertion is contestable. Governance literature convincingly argues that the state has lost exclusive governing capacity (Hirst 2000) because society is increasingly dynamic, complex, and differentiated (Kooiman 2001). However, perhaps the notion of national governments' impotence owes more to the still feeble capacity of the governance approach to grasp the full nature of the relationship between central and local levels of government and between state and non-state actors than to the actual situation on these matters.

Bringing in the local level as well as non-state actors in policy processes raises the question of the capacity of central governments to steer developments taking place outside their traditional realms. One of the dilemmas lies in striking a balance between national authorities' legitimate interest in setting common objectives, rules, and frameworks on a given policy area and the autonomy required by local authorities and non-state actors in order to capitalise on local dynamism and synergy effects.

This paper offers a study of Køge, a town south of Copenhagen, as a case in which a nationally mandated local partnership collided with an already established local framework for multisectoral collaboration. The case illustrates some of the issues facing central governments' desire to intervene and promote local partnerships and opens for discussions of consequences derived.

In the section that follows, the context in which the case takes place is outlined. It will be described how Denmark has made local partnerships a central part of its active social policy and how the involvement by non-state actors in this policy area differs from that found within employment and labour market policies. The case itself – a comparative analysis of the ‘old’ and the ‘new’ local partnership – is found in the third section. By identifying differences and similarities regarding participants, issues treated, relationship to the municipal council, and resources an assessment of influence and effect is attempted. Some problematic features related to substituting one partnership with another are pointed out. The paper closes by discussing lessons derived from the case study.

## **Background on Danish Social Policy and Municipal Autonomy**

275 municipalities are in charge of implementing most parts of Danish social policy. The responsibilities entail service areas as child and elder care and administration of income transfers such as child subsidy and retirement pension. They also comprise *active social policy*, e.g. measures related to recipients of transfer incomes who have or may have an attachment to the labour market. Focus in this paper is exclusively on active social policy, an area that has become increasingly important over the past decades (c.f. Danish Ministry of Social Affairs 2001).

In international comparison, Danish municipalities enjoy wide autonomy (Danish Ministry of the Interior 1999) and their share of public expenditures and income is considerable (e.g. Blom-Hansen 2002). These general features also hold for social policy. The national parliament sets the general legislative framework that determines eligibility, level of transfers, and describes the array of measures available for different actions, e.g. the instruments that may be applied with the purpose of bringing recipients of cash benefits (back) into the labour market. Within this framework the municipalities are autonomous. As long as certain minimum standards are met they are free to choose between different measures, free to give priority to certain groups, and free to organise their efforts as they wish. Municipalities approach and carry out active social policy in very different manners (Damgaard 2000, 2002; Torfing and Andersen 2002).

The municipalities pay part of the expenditures themselves (through local taxes and grants from the state) while the remains are paid by the central government directly. Up until the beginning of the 1990's, income transfers were largely exempted from the general principle that local authorities should cover local expenditures (Knudsen et al. 2002). This gave rise a tendency to 'pass on the bill' from the local to the national level as municipalities were inclined to chose measures that were less costly for them given different levels of reimbursement from the central state. One example is the heavy use of anticipatory pensions compared to rehabilitation schemes. As municipalities obtained full entitlement right regarding anticipatory pensions and correspondingly also more economic responsibility, entitlements have dropped significantly (Danish Social Appeals Board 2001). However, municipalities (as well as public employment services) apparently continue to act more on economic incentives than on criteria related to the individual clients they serve (Bak Jepsen et al. 2002).

The reform of the anticipatory pensions also marks the introduction of nationally mandated local partnerships. Between 1994 and 1998, 38 municipalities sought and were granted full entitlement authority on the condition that they established a local coordination committee on preventive labour market measures. When the anticipatory pension reform went into effect, these partnerships became mandatory for all municipalities.



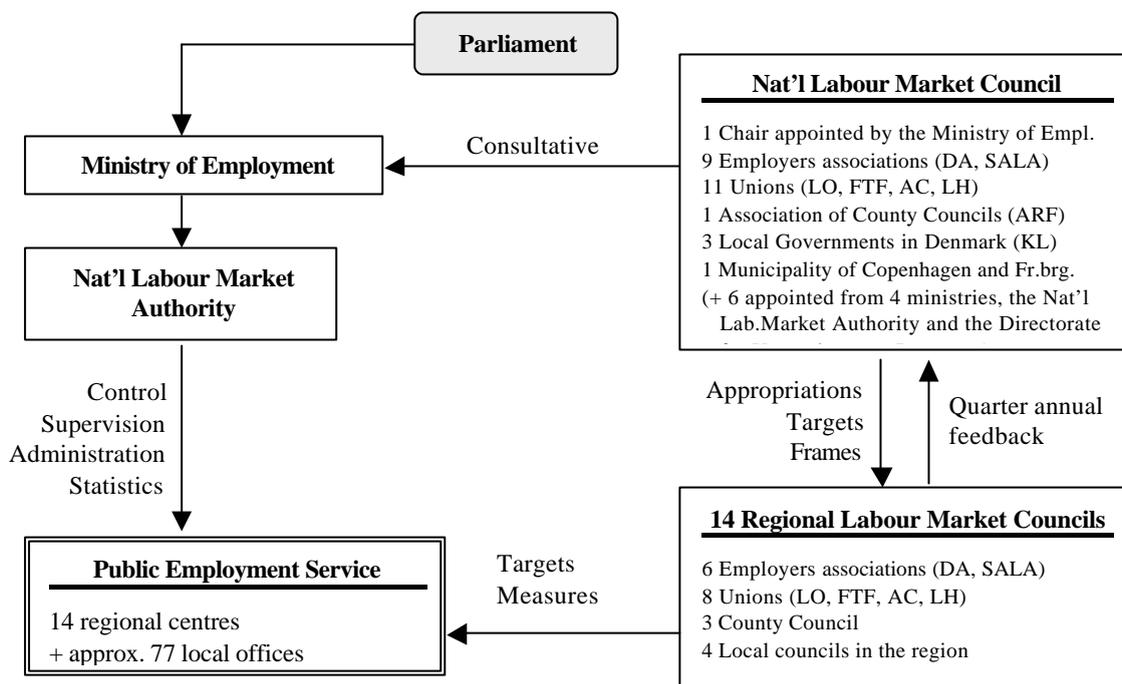
## Local partnerships as social policy strategy

Danish social policy has increasingly turned towards the labour market for solutions. With a clear reference to a workfare-inspired labour market reform passed in 1994 (see Larsen and Jørgensen 2002) a body of laws together dubbed the *active social policy* was adopted in 1998. Together, the *active* labour market policy and the *active* social policy have been termed the *active line*. Measures have increased obligations for participation in activation programmes and availability for the labour market and reduced eligibility for unemployment and cash benefits.

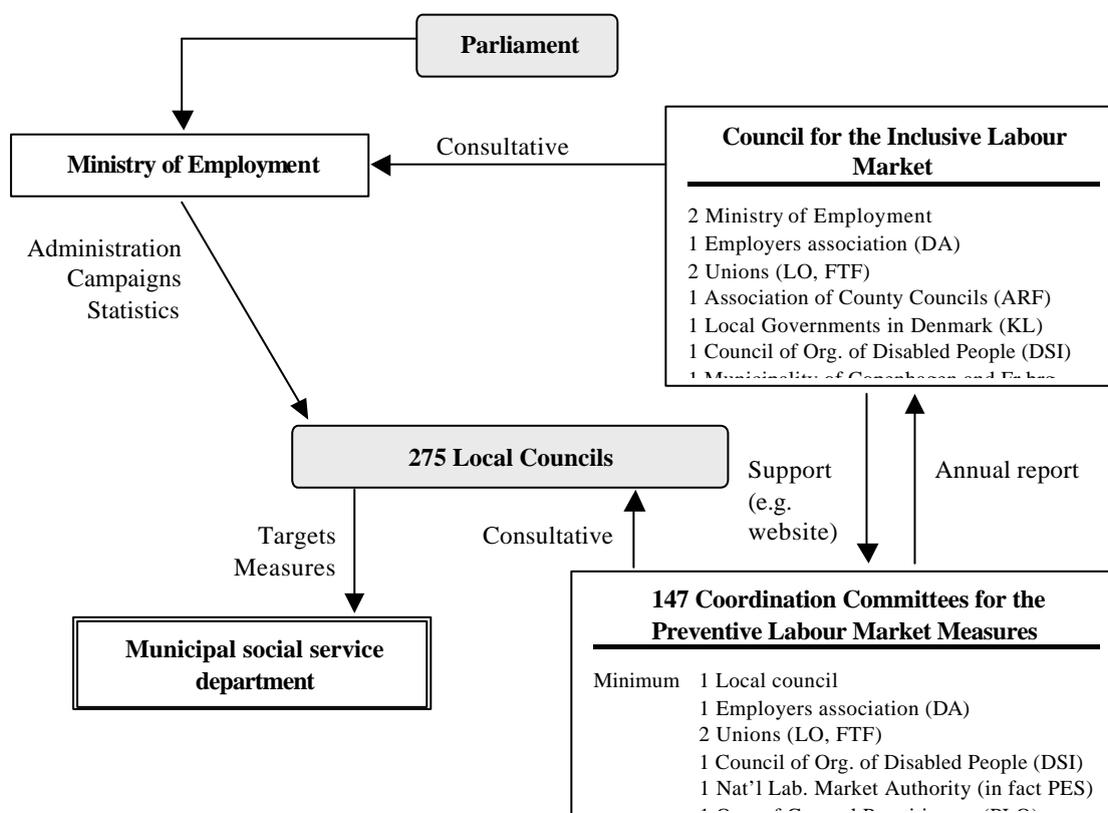
Turning to labour market attachment as solution to problems of marginalisation and social exclusion exposed a “partnership vacuum” on the social policy side of the active line. Corporative structures have assured the involvement of the social partners in labour market policies for more than 100 years in a still more formalised web encompassing both the national and the regional (county) levels (Nørgaard 1997). In comparison, up until 1998 no formal structures paved the way for the collaboration between local social policy actors and the responsible authority, the municipalities. The municipal social service departments had of course to some degree collaborated with local enterprises, primarily public ones, and other local actors, but not in a scale sufficient to respond to the augmented call for labour market directed solution to social problems.

On this background, the *Local Coordination Committees on Preventive Labour Market Measures* were created. According to the legal stipulation (Act on Legal Protection and Administration in Social Matters), their aim is to increase possibilities of employment for people in danger of losing labour market attachment or people who would not be able to obtain or maintain a job on normal conditions. They are to do this by giving advice to the local councils and others (e.g. enterprises and unions) and by working to improve local cooperation between different authorities and actors. The committees receive an annual grant that for 2002 was almost 164 million DKK (approximately €22 million). The funds are distributed among the committees applying the sharing key used for distributing the municipal block grants. If two or more municipalities have formed a common coordination committee, the resources available are the sum of the individual grants. Of the total of 147 coordination committees in place by the end of 2000, 92 were formed by one municipality and 55 by two and up to six municipalities (Council for the Inclusive Labour Market 2001).

**Figure 1. Organisation of Labour Market Policy in Denmark**



**Figure 2. Organisation of Active Social Policy in Denmark**



Note: Shaded areas refer to political levels; double lines to client contact.  
Danish acronyms in parenthesis.

Figures 1 and 2 sketch out the organisational set-ups of labour market policy and active social policy respectively. Although active measures within labour market and social policies are increasingly alike, the figures visualise large organisational variety. The main point to stress is the autonomy of the municipal efforts within active social policy. The municipal social service departments act solely on the instructions from the local councils. This compares to the Public Employment Services (PES), which are subject to targets, guidelines and control from both the Regional Labour Market Council and the National Labour Market Authorities. Since 2001 even the salaries of the directors of the 14 regional PES-centres have been tied to the achievement of set targets.

The figures further attempt to visualise the different weight by which social partners and other non-state actors are involved. The National Labour Market Council has competence to formulate general targets and frames, which at the regional level are fleshed out as specific priorities regarding targets and measures the PES are obliged to follow.

The contrast to the local coordination committees is striking. Coordination committees are purely advisory to the local councils and their main influence may lie in the efforts they do on promoting an inclusive labour market within their organisational bases (plus private enterprises) and on bettering the collaboration between local actors. However, different studies have, not surprisingly, suggested that the more de facto influence a coordination committee has on the decisions made by the local council, the more energy the non-state actors will put into their participation (Torfing and Andersen 2002; Damgaard 2000). Ceasing influence to the coordination committee may have democratic consequences as Torfing and Andersen point out. Though, as these authors also touch upon, expecting non-state actors to participate in new organisational arrangements in which the local councils are “too eager” to advance their social agenda may on the other hand be overly optimistic.

No studies have solidly explored *why* the decision to establish local coordination committees was made. Considering the arguments presented by the Ministry of Social Affairs in the material related to the campaign *Our Common Concern* (1994), it appears fair to assess that their creation was tied more to a ministerial desire to solve social inclusion problems through the labour market than to considerations regarding promoting local level involvement per se (c.f. for instance the European Commission’s communication “Strengthening the Local Dimension of the European Employment Strategy” or the OECD study “Local partnerships for Better Governance”) (see e.g. Ministry of Social Affairs 1997). The strong focus on the involvement of private enterprises supports this notion. Furthermore, local involvement understood as involvement by local government was already strong beforehand given the municipalities’ responsibility for carrying out social policies and their wide autonomy.

The principle of local municipal autonomy – a principle written into the Danish Constitution – appears to conflict with the (legitimate) wish on part of central government to strengthen the labour market aspect of social policy measures. It is premature to answer the question of why the national government chose to impose local coordination committees in a way in which municipalities have only restricted influence on agenda, competences, and participants. Was such tight steering necessary in order to assure augmented labour market participation on social

issues? Is it an example of ministerial mistrust in local governance? Did the ministry please the social partners at the national level – who may have a strategic interest in strengthening their position at the municipal level as well as in the field of social issues – at the expense of municipal autonomy? It is known that the main social partners were worried about the attempts to involve (private) enterprises directly instead as customary through corporate channels (Martin 2001); the coordination committee could be regarded a way of recompensing the social partners in this respect. The solid and almost unalterable tradition of involving mainly the social partners found in labour market politics (Nørgaard 1997) may also play a role. Interestingly, neither of these hypotheses emerges from conditions at the local level.

The case study we present below cannot answer all these questions. Our ambition is to shed light on some consequences when a nationally mandated partnership moves in on an already established framework for local collaboration. The analysis aims to pinpoint strengths and weaknesses of the new vs. the old partnership in the concrete case of the municipality of Køge and thereby open for discussions regarding consequences of advancing one type of partnerships at the detriment of another.

## When partnerships collide: a case study<sup>1</sup>

Køge is a medium-sized municipality located about 40 km south of Copenhagen. Commuting levels both to and from Køge are relatively high because of closeness to Copenhagen, well-developed infrastructure and a wide variety of youth educations. Unemployment rates tend to be slightly below the national average while the number of cash benefit recipients up through the 1990's were very close to the national average (Ministry of the Interior, *Kommunale Nøgletal*). Average salaried income rose in the late 1990's to a level just above the national mean while the number of people earning a precarious income (below 125,000 DKK/year – approx. €16,900) during the 1990's stayed just below the average.

**Table 1. Key data on Køge**

Inhabitants	38,983
Labour force	21,680
Work places	19,699
Employed	20,866
Unemployed available for the labour market, total	832

Source: Statistics Denmark: *Kommunalstatistiske meddelelser, 2001*

A well-functioning local collaboration between the municipality of Køge and local labour market actors was back in 1979 sealed by the creation of a multisectoral employment committee. Local actors refer with pride to the close bi- and tri-partite relationship on labour market issues as “the Køge Model”. Mutual trust based on solid personal relations and daily informal exchanges of information is the cornerstone of the model.

The obligation to establish a local coordination committee was not applauded by the “old” partners whether public or private. They feared that decision processes would be unduly complicated and were sceptical towards the benefits of involving “new” partners.

The “old” partners did, however, commit themselves to make the best of the new coordination committee given that it was an imposed mandate. The employers association, DA, and the labour union confederation, LO, both chose to send strong representatives resisting the temptation of ignoring the organisational innovation.

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<sup>1</sup> This section is based on agendas, statements and other written material from the two committees as well as the personal experiences obtained by Lotte Ernst while working as labour market consultant hired by the coordination committee. Additional information available at the municipal's website – [www.koegekom.dk](http://www.koegekom.dk) – has also been drawn upon.

A single municipal coordination committee was established in January of 1999. For almost four years, the two committees have co-existed and several times treated the same issues. At present (June 2002), local negotiations are taking place that, if adopted which is likely, will rearrange competences between both political and multisectoral committees. Before telling this story, we will turn to other details of the case. Table 2 offers an overview over the two committees.

**Table 2. The employment and the coordination committees**

<b>Tasks</b>	Employment committee	Advise the local council on issues concerning <ul style="list-style-type: none"> <li>- the labour market</li> <li>- commercial development</li> <li>- services offered to enterprises by the municipality</li> </ul>
	Coordination committee	Advise the local council and other actors on issues concerning <ul style="list-style-type: none"> <li>- the open and inclusive labour market</li> <li>- improvement and development of local cooperation</li> </ul>
<b>Link to local council</b>	Employment committee	- Refers to the economic committee
	Coordination committee	- Refers to the social committee
<b>Participants</b>	Employment committee	<ul style="list-style-type: none"> <li>- All five members of the local council's committee on economy.</li> <li>- Private sector employers (DA): Local leader</li> <li>- Private sector employees (LO): Local leader</li> <li>- Labour market authorities: Director of local PES -section</li> <li>- Head of social service dep't, labour market section</li> </ul>
	Coordination committee	<ul style="list-style-type: none"> <li>- Chair of local council's social committee (also chair of the coordination committee)</li> <li>- Private sector employers (DA): Local leader</li> <li>- Private sector employees (LO): Local leader</li> <li>- Public sector employees (FTF): Local leader</li> <li>- Labour market authorities: Director of local PES -section</li> <li>- Handicapped organisation (DSI): Local official</li> <li>- Medical practitioners (PLO): Local practitioner</li> </ul> <hr style="border-top: 1px dashed black;"/> <p>With right to speech:</p> <ul style="list-style-type: none"> <li>- Head of municipal social service dep't</li> <li>- Head of social service dep't, labour market section</li> <li>- Labour market consultants (hired by the coord. committee)</li> </ul>
<b>Resources</b>	Employment committee	- None of its own
	Coordination committee	- 1.291.435 DKK budgeted for 2002 (approx. €75,000).
<b>Meetings</b>	Employment committee	- Typically 4-5 times a year.
	Coordination committee	- Typically 4-5 times a year

## Sources of dynamics

What gives a multisectoral committee strength? The answer in the case of the employment committee is heavy municipal participation and the charisma of the two leaders of the local social partners. The coordination committee is more broadly composed and appears primarily to nurture on the legislative mandate that created it.

### *Organisational tie to the political level*

The economic committee is commonly the strongest and most prestigious of all political committees under a local council. Køge is no exception. The mayor of Køge chairs the economic committee (the only committee in which he participates). He is joined by the four probably most potent members of the 21-man large local council: The second vice mayor and leader of the opposition block; a person who besides interest in local policy is member of the national parliament, the chair of the social committee (a novelty introduced after the local elections in November 2001), and the member who has served the longest time in the local council. The economic committee meets two to three times a month (34 times in 2001) and attends to core matters such as economic policy, administration, labour market issues, and commercial development. All major economic decisions will at some point pass this committee and the local council has – as far as the collective memory reach in Køge – never failed to approve a decision made by the economic committee.

A multisectoral committee referring to the economic committee is therefore potentially influential and having all five members of the political committee participate in the employment committee indicates the weight of this medium in the case of Køge. Although without formal political powers, the presence of the head of social service department's labour market section is also important. The strength is underlined by the broad agenda the committee may act on and the fact that recommendations frequently have been adopted by the economic committee and ultimately by the municipal council.

The coordination committee refers to the social committee. This committee has seven members most of which have less political experience than their colleagues in the economic committee. The committee meets one to two times a month (20 times in 2001) to discuss matters regarding social security, elder, and handicapped. From the local council, only the chair of the social committee is member of the coordination committee. This level and form of political participation corresponds to model from the national legislation but in the case of Køge it contrasts to the close political attention enjoyed by the employment committee.

It could be discussed whether strong municipal participation is in fact a force. To the degree that the aim of the coordination committee were to augment non-state actors' involvement, too heavy municipal representation might turn out counterproductive (c.f. Torfing and Andersen 2002). Yet, giving the experiences in the given case from the employment committee it appears that there is an inherent expectation both on part of the local council and the social partners that "this is the way committees ought to function". On that background it is questionable whether weak municipal participation is a beneficial feature.

### *Composition of committees*

The employment committee has a rather narrow composition (see table 2). The composition, which has not changed over the more than 20 years of existence, owes primarily to a strong labour movement with close ties to the local political level. These two actors were interested in creating a forum with employer representation that became the employment committee. Today, the members know each other from a variety of forums. The socialdemocratic mayor and the employers' representative are for instance part of the troika-leadership of the trade council of Køge and the leaderships of the social partners meet now regularly on a bi-lateral basis.

The composition of the coordination committee is somewhat broader reflecting the complexity of active social policy (see table 2). Køge follows the national trend not to invite others (organisations or individuals) to become member of the coordination committee. This possibility exists according to the law, but only about one in six committees do so (Council on the Inclusive Labour Market 2001). In Køge (as elsewhere), it appears that opening up for new participants could strengthen the role of the coordination committee. Among those groups that could be interesting to see are patient associations and hospital medical consultants. In the case of Køge, resistance among some of the members obstructed the ideas of enlarging the committee.

### *Strength of participating actors*

The coveted synergy effects are not brought about merely by the local government inviting non-state actors to participate in various committees; they must also be capable of providing adequate participation (Damgaard 2000, 2002). Leadership dedication, knowledge of the issues, and sound relations upward and downward in the organisation are important dimensions determining the strength of local partnership participants.

The most influential local actors in the case of Køge are the main social partners, i.e. DA and LO. The local leaders of these organisations are both charismatic and have plenty of experience with both bi- and tri-lateral negotiations and collaboration on labour market issues. Both organisations seem to enjoy regular vertical relations. From above, they receive standard aid from their respective national branches e.g. up-skilling and statistical and political information. From below, rank-and-file support appears solid based on the fact that leaders have been re-elected several times.

However, this assessment holds primarily for their participation regarding labour market issues. The story is somewhat different when considering active social policy. Speaking about the social partners in Denmark in general, they have not up until the recent emergence of the topic "active social policy" worried much about social issues. Instead they have concentrated on what they knew and did best: advancing their members' interest on the labour market, which, it should be remembered, is still the core task of the social partners (see e.g. Due et al. 1994). To perform in a new area, charisma will only do so much. In the case of Køge, the ties to the national levels of the main labour market organisations appear to have been insufficient to adequately prepare for the participation in the local coordination committee. Despite a considerable amount of

informative material (brochures etc.) produced at the national level, the local leaders have been unsure of their positions. A recurrent problem has been that they have had difficulties relating sweeping statements on part of their national leaderships to problems and dilemmas appearing on the coordination committees' agenda. This assessment seems valid also for the representative of the Salaried Employees and Civil Servants (FTF) representing public employees.

One member of the coordination committee has pointed to difficulties about engaging local rank-and-file in pro of the social inclusion agenda, making the bitter comment that at the end of the day they [the members of the coordination committee] only represent themselves. The frustration may relate to the fact that even though national surveys have found support for the inclusive labour market both among employers and employees, the same studies also document a gap between expressed attitude and tangible actions (Larsen and Wiese 1999; Høgelund and Kruhøffer 2000; Kruhøffer and Høgelund 2001).

A limited mandate also seems to confine the physician representing the medical practitioners' organisation (PLO). The case of Køge seems representative for a number of coordination committees: a practitioner participates but she has almost no contact to her colleagues or to the central organisation (c.f. Council for the Inclusive Labour Market 2001). Medical practitioners in Denmark are self-employed businessmen and very proud so. They expect PLO to defend their professional and economic interest vis-à-vis the State (that pays the bills issued after each treatment) but do generally not want PLO to act politically and resist that anyone interferes with their job. Local branches of PLO are generally weak. The practitioners are organised into 12-person groups that could serve as forums for feedback to and from the coordination committee. However, in Køge, the groups only meet twice a year; on one occasion for entertainment purposes only. The organisation has declined to formulate a common position regarding its understanding of the role of the practitioners in active social policy including aspects regarding long-term sick.

The practitioners' meagre participation in the coordination committee is somewhat paradoxical or could perhaps be explained by the fact that a contact committee on social medicine already exists. The head of the sick-leave division (under the social service department's labour market section), the head of the social service department, the municipal medical consultant and two medical practitioners compose this committee. Their work is to improve the collaboration between the practitioners and mentioned division in sick leave cases. Although this forum points to some collaboration between the practitioners and the municipality, the bi-lateral nature and the limited scope of the agenda make it no substitute for the coordination committee. The difficulties regarding reaching the ordinary practitioners found under the coordination committee also apply to this committee

Also the disabled peoples' organisation (DSI) is a fairly top-heavy organisation that on occasions has had difficulties finding local representatives to participate in the coordination committees. Though not in Køge. Its representative is knowledgeable regarding possibilities and obstacles arising when disabled people enter the labour market. The DSI-representative is the only client-representative in the coordination committee. Not only in Køge but nationwide does it appear somewhat odd that the organisation of disabled is the only voice from the very

heterogeneous group of social clients. It would have been equally or more logical to have reserved a position in the coordination committee for patient associations, groups of alcoholics, emigrant organisations, or organisations of long-term cash benefit recipients.

Finally, there is the local PES. The director of the PES participates in both the employment as well as the coordination committee. The PES is an important actor both in the concrete case given the capacity of the director, and generally because of the nature of its activities. Active social policy is not an entirely new field for the PES because the municipal social service department has referred immediately employable clients for quite some years. In Køge, the relationship between the PES and the municipal social service departments appears closer and better than what seems to be the norm (c.f. Larsen *et al.* 1996). For instance has the social service department since early 2001 shared some of its registrations with the PES, which has cut bureaucracy and trimmed the service provided the citizens.

### *Economic resources and legislative imperative*

On two accounts, the coordination committee prevail over the employment committee. Firstly, the coordination committee has its own budget. The municipalities are according to the law obliged to provide the committee secretarial services etc. Beyond these expenses each committee receives an annual grant from the national government. In the case of Køge the amount for 2002 is almost 1.3 million DKK (approx. €175,000). The grant must be spend on initiatives in pro of the inclusive labour market that would otherwise not have taken place. In Køge the coordination committee has hired two labour market consultants who for instance initiate round table discussions, help create networks, conduct thematic sessions, and advise enterprises, unions and others about the instruments available to prevent or alleviate marginalisation from the labour market. A number of specific projects have also been carried out.

Secondly, and most importantly, the coordination committee receives impetus from the legislation. The local council simply does not have the option to disregard the coordination committee. More than any other feature, this was what sealed the destiny of the employment committee. It is, however, questionable whether legislation is a source of dynamics or rather of existence. The coordination committee in Køge has started a number of activities, but the driving forces behind these initiatives have primarily come from those members that also participate in the employment committee, i.e. the 'old' partners.

### **The end of the employment committee**

Having two advisory committees that overlap is not viable in the long run. Competences become unclear and the decision process prolonged.

Between 1999 and 2001, the two committees were asked to attend to and act on the same case on 10 occasions. At times, this has delayed the decision making process. Another problem has been variation in suggested solutions and initiatives in response to the cases. In this regard,

the coordination committee has had an advantage given the access to own resources by which it has been able to carry out decisions rather quickly. The law impedes the coordination committee to spend its funds in opposition to the local council. However, if consensus is not reached, the alternative to the suggested initiatives is that the funds are returned to the central government. Although it is not large amounts compared to the total municipal budget, there is a strong incentive to reach agreement.

The coordination committee has off record been criticised for wanting not only to play a consultative but a decisive role regarding the active social policy in the municipality of Køge. It has been suggested that the coordination committee 'acts as a group of caseworkers' hinting at a tendency to want to intervene how specific cases are treated rather than to offer recommendations on the municipality's active social policy in general. The committees' access to own resources has apparently accentuated this impression. The criticism reveals lack of mutual trust. The employment committee has *de facto* been invited to decide over municipal policies, but its intervention has been based on confidence in its actions – plus, not to be ignored – the safety valves that heavy presence of the economic committee and final acceptance of the local council represent. In the case of Køge an adequate mix of local political control and involvement of central local actors.

Despite the apparent preference for the employment committee, a process has initiated that will terminate this committee. Solutions as to how to organise the future local multisectoral collaboration have been discussed at a two-day seminar in spring of 2002 and further at a follow-up meeting at the end of June. All involved actors have participated, i.e. the members of the economic and social committees plus the members of the employment and the coordination committees.

The main conclusion of the seminar was that time and circumstances have outplayed the role of the employment committee. It was agreed that it was best to gather all labour market related issues under one committee thus transferring those issues previously treated under the employment committee to the coordination committee. The remaining issues dealt with by the employment committee were proposed relocated to the existing local multisectoral trade council. The trade council is a broadly composed council in which all members of the economic committee participate. The proposal further calls for moving competences from the economic committee to the social committee so as to match the other changes and, finally, that the local council appoints an additional member to the coordination committee allowing for representation of both major political blocks. These changes would strengthen the coordination committee but also the political control it is subject to. The proposals have been ratified by the involved actors and now await treatment in the local council.



## Discussion

The case study of Køge points to a number of both empirical and theoretical questions that is central to the discussions of local governance. How does local partnerships arise and how do different origins influence the way they function? Which lessons may be drawn regarding how the coordination committees on preventive labour market measures were mandated? Did central government violate local initiative or help free synergy effects? How may we theoretically grasp the relationship between levels as well as between different actors in a partnership?

Looking merely at the case of Køge, the central mandate to create coordination committees could be seen as an assault on local autonomy. In essence, the coordination committee crowded out a well-functioning local partnership. However, do the drawbacks outweigh the gains?

No single answer exists and hardcore evaluations of effect are impossible to conduct. On the positive side, new actors were brought into play in Køge as a result of the coordination committee such as the organisation of disabled people and the medical practitioners. The scope of the social partners has also been widened. Furthermore, all participants have expanded their span of interest. The social partners and the labour market authorities have been forced to think about social policy aspects of the labour market while the handicap organisation and the practitioners have received input to think more in lines of the labour market when advising members or treating patients. It is another matter that communication from the coordination committee members back to the members of the various organisations may still be improved.

But were these initiatives necessary? Local collaboration in Køge was satisfactory beforehand. It could be argued that national legislation almost always produce undesired effects and that these must be accepted as long as the law on average works as intended. In this regard, the legal details regarding the coordination committees seem overly narrow defined. Looser formulations about participants and agenda could have been utilised allowing for more local adjustment. The present legislation does allow for some deviances with regard to membership and it is likely that we in the future will see more local adjustments as in the case of Køge.

Yet the legislation is the starting point for the coordination committees. This is not to say that local partnerships may not arise spontaneously, as the employment committee in Køge is an excellent example of, but legislation continues to be an instrument in the hands of central government to steer the development locally. Decentralisation does not necessarily entail deregulation. It is therefore also interesting to look further at two kinds of power relations. Vertically between the local and the central level. And horizontally at the power relation that determine which organisations get their name on the short list of participants mandated partnerships.



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