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Stream convenors: Ludo Struyven (Leuven University) and Matthias Knuth (University of Duisburg-Essen)

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The Politics of Governance and Labour Market Reforms: Comparing Pathways to Reform in Denmark and the U.S.

Evelyn Z. Brodkin, The University of Chicago (U.S)

Flemming Larsen, Aalborg University (Denmark)

In this paper, we explore the *politics of governance*, namely, the deployment of governance reforms as a strategy for advancing politically contested policy projects. Our exploration focuses on the use of governance as a pathway to labour market reforms in what are arguably two of the least similar of the advanced welfare states: Denmark and the U.S. We recognize significant differences in these two countries, not the least of which is the extent to which their welfare state arrangements have been elaborated and institutionalized. It is precisely these striking differences that make the similarities we find in pathways to reform so intriguing. It is these commonalities that suggest to us that the politics of governance is worth a closer look. We take the first steps in our inquiry by examining the specific case governance strategies associated with the policy projects known as "welfare reform" or "workfare" in the U.S. and "labour market reform" or "activation" (in Denmark).[i] These terms generally refer to policies that ostensibly aim to "activate" recipients of income support by promoting and enforcing work in the paid labour market. In both countries, we see parallel and intersecting paths between policy and governance reforms. It is this relationship that we wish to probe.

Our broad aim is to contribute to understanding the role of governance in the politics of the welfare state by moving our analytic field of vision beyond the generally separated concerns of management and politics. Instead, we look at the interface between management, policy, and politics. This approach allows us to consider the political implications of managerial trends in two very different welfare states. Our objectives for this working paper are modest. First, we seek to outline some of the contours the politics of governance. Second, we aim to review and begin to assess key governance strategies used to advance workfare and activation reforms in the U.S. and Denmark. At this stage, we will raise more questions than we are ready to satisfactorily answer. There include broad questions about the politics of governance and specific questions about governance strategies, particularly those associated with "new public management." In this paper we take up the specific case of workfare and activation reforms in order to begin to illuminating ways in which governance strategies have effectively performed political functions, sometimes purposefully and other times, perhaps not.

We recognize that will not be able to develop all of our analytic objectives adequately in this first working paper. We ask readers to see this as a preliminary, very rough exploration to be read as work-in-progress. We offer it in the hopes that it provides a basis – if only a tentative framework -- for beginning a constructive conversation that we can subsequently develop, refine, and elaborate in the next stages of our collaboration. The first part of this working paper discusses some of the elements of a politics of governance and the role of NPM reforms. The second part describes governance reforms deployed as part of welfare reform/activation projects in the U.S. and Denmark. This discussion highlights similarities in the use of governance strategies and suggests some possible political implications of these strategies. This preliminary discussion is intended to indicate the direction of the analysis to be developed in future papers.

What is the Politics of Governance? A first cut

Governance is a widely-used, highly-suggestive, and ultimately, ambiguous term. It generally conveys managerial strategies of the state that can be marshaled to improve policy implementation and the advancement of policy objectives. One approach to governance involves new public management (NPM), which offers a set of strategies loosely aligned with a market model for providing public goods and services. Devolution, contracting, privatization, and performance measurement are among the most readily recognized NPM instruments. They purport to be anti-bureaucratic, restructuring arrangements for policymaking and policy delivery to enable flexible adjustment to demands and opportunities. NPM can be understood as the alternative to a "Weberian" model of bureaucracy that emphasizes law and hierarchical enforcement of rules and regulation. Alternatively, NPM envisions a more decentralized policy "network" that is characterized by devolved authority, decentralized and privatized service provision, and performance-based incentives. From an economistic perspective, governance reforms using NPM are advocated as a means of achieving greater efficiency and even, arguably, responsiveness in service delivery.[ii]

Within the now substantial public management literature addressing various aspects of the NPM approach, there has emerged a subset of distinctly critical literature. It considers NPM, not only from the vantage point of economics or administration, but also as a matter of political interest.[iii] Although not nearly so extensive as the conventional NPM literature, critical scholarship, as it has been evolving, may offer a response to Offe's objection that the governance literature and its discourse "... has hardly anything to say about ... coping with social problems by means of politics" (Offe 2009:559). Along with other critical scholars, we think that there is *much to say* about governance as a means of coping with political problems through managerial strategies. With this working paper, we begin an analytic project that aims to contribute to the critical literature from an explicitly political and comparative perspective. Our key interest is in the politics of the welfare state. We seek to explore whether governance strategies using NPM have been deployed in ways that alter the politics of the welfare state, and how governance strategies affect the contours of welfare state politics.

Our approach recognizes that welfare state politics may take many forms. Most obvious are forms of politics that occur through visible and authorized institutions, for example, elections, law, and legislation. Less obvious are forms of politics that occur through other means, particularly through administrative means (Brodkin 1987). This form of politics is one in which policymaking tends to be less visible, traceable, and participatory. Pierson has argued that visibility and traceability have strategic importance in the politics of welfare state retrenchment (Pierson 1994). We build on these important insights but look beyond the parameters of Pierson's analysis to examine the strategic significance of governance in limiting political conflict over welfare state transformations, in part, by reducing visibility, traceability, and participation. We propose that managerial strategies have political significance to the extent that they enable the advancement of contentious policy shifts (such as those Pierson describes ... and such as those we will describe) by limiting potential conflict, in part, by using the logic of managerialism both to implement and to legitimate (and obscure) politically sensitive shifts.[iv]

Recourse to such strategies is hardly new, although rarely remarked. In the early 1970's, U.S. President Richard Nixon attempted to create an "administrative presidency," using

Universitat de València - ERI POLIBIENESTAR.
Edificio Institutos-Campus de Tarongers. Calle Serpis, 29. 46022. Valencia.
Phone: (+34) 96.162.54.12– C.I.F. Q4618001-D
Email: espanet2011@uv.es

administrative tactics to advance policies that were blocked by a hostile Congress (Nathan 1983, Randall 1979).[v] Since that time, the tactical use of management has only become more pervasive. In the U.S., it is no longer the exclusive recourse of Presidents, although they arguably have an advantage as "chief executives" of the nation. However, Congress, too, has gotten into the managerial game, for example, routinely inserting performance measurement coupled with financial rewards or penalties in legislation from welfare to education to foster care. Nor does this seem to be a matter of American "exceptionalism." We now see similar strategies deployed in Europe (and beyond), from Denmark to the Netherlands to Germany to Australia, suggesting that the politics of policymaking and the (anti-)politics of management are becoming ever more closely linked.[vi] Strangely, these larger developments have tended to be examined (if at all) rather narrowly, perhaps focusing on individual policies or countries. Thus, we surmise that commonalities in the political use of governance have yet to be fully appreciated.

Broadly, we regard governance strategies as political if:

- they affect the ways in which policy is contested , particularly, what the game is about" (Schattschneider 1964)[vii] , and
- they affect how policy is "made" in organizational practice, thereby constituting an indirect form of "policy politics" (Brodkin 1987, 1990, 2007)[viii]

What are the contours of governance as a political strategy? We suggest some of them here, if only in a preliminary way. Again, we turn to Offe's apt insight about governance as a linguistic and political strategy: "...something happens, but nobody has done it and would thus be responsible for the result" (Offe 2009: 550). But how can this be? Governance and management would appear on their face to be "all about" accountability (to use an American turn of phrase). However, if one examines how governance instruments really work, one can begin to see ways in which they function to limit visibility, traceability, and participation. As mentioned, this occurs, in part, by reframing political questions as administrative ones. It's not about "what to do" but only "how to do it." It also occurs, in part, by changing the conditions under which policy implementation occurs. This is important to the extent that implementation processes are themselves part of "policy politics," indirectly shaping policy content and distribution through the mundane and often obscure, informal practices of street-level organizations (Brodkin 1987, 2007; Lipsky 1980).

From a street-level perspective, strategies, such as contracting and performance measurement, are politically significant in that they potentially change both the locus of street-level discretion (who decides) and how discretion is used (what's decided). This is apt to have serious implications for what is produced as policy and for what aspects of policy are visible. In addition, performance measurement is a potentially powerful political instrument to the extent that it directs attention only to selected aspects of policy production and *away* from others. If one assumes that the choice of measures is "neutral" and "apolitical," then performance measurement would appear to be a valuable instrument for improving fealty to policy objectives. However, if that assumption does not hold, that is, if the choice of what to measure is purposefully political or only political in its effects, then it is appropriate to regard performance measurement as part of the politics of governance.[ix]

In this paper, we explore how governance strategies have been deployed as part of the politics of workfare and activation in the U.S. and Denmark. We question whether governance has provided a means of scuffing over the tracks of contested policy projects, that is, by making potentially contested elements of these policy projects less visible and less traceable. We also question how governance reforms affect policy practices on the ground. Among our concerns are ways in which governance – particularly NPM -- strategies create incentives for short-term thinking (limiting opportunities to frame social investments to life course) and policy reductionism (limiting attention only to what is and can be readily measured). At this point, our paper is more a question-raising than a question-answering exercise intended to set the stage for further analyses to come. We initiate our exploration of these issues in the next sections of this paper, where we take up the specific cases of governance in the transformation from passive to active welfare arrangements in the U.S. and Denmark.

Governance Strategies and the Case of U.S. Welfare "Reform"

In the U.S., workfare-focused welfare "reform" emerged out of the particular configuration of American politics, a politics that moved decidedly rightward in the period leading up to its adoption as national policy. It was also associated with the long conflicted politics of welfare (or social assistance). In this context, as I will discuss, workfare came to occupy an important strategic position in the legislative politics of welfare reform. In this sense it took a different political path from those European work activation policies that developed as part of a broader labor market project. Although workfare (sometimes called welfare-to-work) is often discussed as if it represented a coherent policy vision, in fact, U.S. workfare reflected a somewhat disjointed compromise between two rather different approaches. One approach envisioned workfare as a strategy for *enabling* marginalized individuals to participate in the formal labor market, the type of approach generally associated with European models of activation or inclusion. A second approach envisioned workfare as a strategy for *disciplining* marginalized individuals, enforcing work by effectively punishing nonwork and withholding social benefits.

In combining elements of each approach, U.S. lawmakers effectively introduced uncertainty into how workfare would take shape in the practice. It is well-recognized in the U.S. that policy-as-implemented may be a far cry from what policymakers envision, especially when implementation takes place in a highly decentralized and discretionary institutional environment (Brodkin 1990). In this context, it was by no means certain what might become of workfare's enabling features or its more disciplinary ones. In fact, in earlier efforts introducing elements of workfare into welfare policy, its more disciplinary elements were often diluted in practice (Handler and Hasenfeld 1991:138-142).

It is here that governance comes into play. The law that made workfare national policy also introduced governance provisions that would come to have an important influence on workfare's implementation and, thus, on the practical realization of its enabling and disciplinary features. The national law incorporated governance provisions that drew on the familiar new public management toolbox. These provisions, including devolution, contracting, and performance measurement, were ostensibly included to make policy "work better." But, as we have suggested, these tools may be more than neutral managerial instruments and, in fact, shape policy delivery in ways that have political consequences for "who gets what and how."[x] Governance arrangements played an important strategic part in steering workfare's implementation toward a more disciplinary approach and effectively discounting its enabling features. As discussed, this is a matter of significance, not only for understanding the U.S. experience, but also for considering how similar governance strategies might play out in other countries.

Workfare as a Conflicted Policy Project

Although the U.S. is generally regarded as a minimal welfare state, like more advanced welfare states, it too has been redrawing the balance between market and social protections. Many of these social protections were fashioned some 70 years ago as part of the New Deal, a political response to the market collapse of 1929. One of the more dramatic changes involved the end of the New Deal innovation that had provided federal cash assistance (or "welfare") as an entitlement for poor families with children. In 1996, the Aid to Families with Dependent Children (AFDC) program was replaced with the Temporary Assistance for Needy Families (TANF) program. TANF eliminated the open-ended federal entitlement subsidizing state cash assistance to poor families, established time limits for cash relief, and introduced workfare provisions that made cash benefits contingent on labor market activity. The law's work provisions (often referred to as "workfare" or "welfare-to-work") have similarities to activation policies that have been adopted in many advanced market democracies, including those with a strong social democratic tradition (Peck 2001).

Workfare in the U.S. emerged out of prolonged political battles over the terms and scope of the social assistance program known as welfare. Welfare, as a national program, was created in the aftermath of the Great Depression of 1929. Under the rubric of the New Deal, the Roosevelt Administration in 1932 created ADC (Aid to Dependent Children) as the first national program to provide cash assistance to the poor. Generally referred to simply as welfare, ADC initially provided a small cash benefit to poor children living in homes without a male breadwinner. Welfare's design reflected the British Poor Law tradition -- part of America's colonial history – that emphasized distinctions between the "deserving" and the "undeserving" poor.[xi] Initially, ADC provided a small allowance to children, largely regarded as blameless for their poverty, and thus "deserving." So long as the program remained modest in size, it generated little political controversy.

However, as the program grew in size and cost, the politics of welfare became more contentious. One line of contention involved financing. For the national government, concern mounted over a cost-sharing arrangement which featured an open-ended financial entitlement, with the federal government paying about half of the cost, but state governments managing benefit determinations and distribution. A second line of contention involve race. To state a complex matter simply, the politics of welfare became more contentious as its image became "racialized" after barriers to participation by African-Americans collapsed (Watkins-Hayes, forthcoming). A third line of contention involved gender. Welfare policy had long restricted aid only to those families in which the "breadwinner" (commonly the husband) was absent, either due to death, divorce, or "abandonment." However, by the latter part of the 20th C., changing social arrangements had made mother-headed households more common among both the general population and the poor. Correspondingly, welfare caseloads increasingly comprised single-parent households that were produced, not by fate, but by choice, that is through divorce or independent childbearing outside marriage. In the U.S., in contrast to some of its European counterparts, these single-parent households were widely regarded as a distinctly suspect social class, living apart from middle-class norms regarding marriage and childbearing.

These developments provoked the much-repeated claim that there was a "welfare crisis."[xii] This marked the start of some three decades of highly contested efforts to reform welfare. Until the 1980s, reform efforts were largely stalemated along progressive-conservative lines. Progressives (largely Democrats) sought to expand benefits and regularize access to assistance as anti-poverty measure. Conservatives (largely but not exclusively Republicans) sought to limit welfare as a matter of fiscal discipline and as a way to discipline the poor.

Enter workfare. In the 1980s, workfare (also called "welfare-to-work") became a pivotal strategic instrument for breaking the political stalemate over what welfare reform should be, ultimately resolving it in favor of anti-welfare interests. Work requirements had been part of welfare policy, but they were limited in scope and even more limited in practice. Under the rubric of "experimentation," the Reagan Administration used its executive authority to "waive" provisions of law and allow states to "demonstrate" the feasibility of workfare. Through this proto-typical "administrative strategy," nearly every state came to operate some sort of workfare program, effectively revising piecemeal the basic guarantee of income assistance previously written into law, but without changing the law itself.

Eventually, these incremental shifts intersected with political/electoral shifts, creating an opening to move from an administrative strategy for advancing workfare to overt legislative reform.[xiii] It culminated in 1996 with the passage of so-called "welfare reform" legislation, known as TANF (Temporary Assistance for Needy Families). Although the legislation reflected the ascendance of workfare as a policy project, TANF legislation did suggest a compromise of sorts. As is often the case in U.S. social policymaking, the final law combined familiar elements advocated by those who saw the policy as a way to enable inclusion (largely through training and work supports) and those who saw it as a way to discipline the poor (by work enforcement including work requirements and time limited benefits the effectively eliminated welfare as an alternative to work).

Among TANF's key features:

- it ended the federal guarantee of income support and place a lifetime 5-year limit on assistance;

- It imposed work requirements as a condition for receiving assistance. It required adults to participate in workfare activities within no more than two years of receiving assistance, but permitted states to set tougher standards;
- it capped federal expenditures within a $16 billion block grant, but it also gave states increased discretion in using federal funds;
- It was linked to companion legislation that provided $2.3 billion to help subsidize child care for working mothers and $3 billion in a two-year block grant for workfare programs.

In effect, the law established a framework for workfare which, on its face, was plausible. Its enabling features offered the prospect that disadvantaged adults would benefit from help entering and staying in the labor market , at least if they were able to participate in the formal labor market on reasonably favorable terms. On the other hand, its disciplinary features threatened to remove the safety net from those who remained outside the labor market (with exceptions made for the sick and disabled).

Governance as a Reform Strategy

Although TANF wrote work requirements into law, it gave great latitude to state governments and street-level organizations (both public and private) that would ultimately be responsible for its implementation. From an organizational perspective, it is useful to think of workfare's implementation as evolving in the context of formal policy that established the playing field and governance that set the rules of the game. TANF's governance provisions were manifestly intended to promote flexibility and judgment while emphasizing accountability for specified aspects of policy production. However, by indirectly influencing implementation practices, they also had important implications for how the uneasy compromise between policy's enabling and disciplinary features would take shape in practice.

Devolution. By law, TANF devolved authority for crucial elements of policy and practice to state-level government. During the TANF debate, critics had warned that giving states greater latitude over welfare policy and administration would set off a "race to bottom," that is, a race to cut cash benefits.[xiv] In fact, this did not occur. With only a few exceptions, welfare benefit levels set by states continued to slowly decline by attrition, that is, they declined in value relative to inflation, as they had over the prior two decades. In most states, cash benefits remained well below the poverty line.[xv] Ironically, earlier episodes of welfare reform had been marked by efforts to develop a national standard for benefit payments and to raise those standards. Devolution, as a governance strategy, essentially displaced any federal role in standard-setting and, as will be discussed, created incentives that would be likely to undermine political efforts in behalf of benefit increases within individual states (although this did not exclude the possibility in some of the more "progressive" states). In terms of participation, it shifted the playing field from national politics to a state-by-state politics, changing the parameters for coalition building.

If benefit levels did not take the plunge critics of TANF had anticipated, it did set off a different, little-remarked, race to the bottom. States, using their devolved authority, "raced" to restrict assistance by imposing eligibility requirements more strict than the minimum established by federal law. This "race to restrict" was encouraged, in part, by financing reforms that fixed the federal contribution to states by formula under the terms of a block grant, replacing open-ended national financing of welfare benefits.

They imposed rules that:

- shortened the time adults could receive cash aid without work participation. Federal law required work within two years of receiving aid. But most states required work within one year, some required immediate work, and others demanded a month of job search before they even would begin to process an application for assistance.
- limited exemptions from work requirements. For example, most states permitted an exemption only for mothers with babies under one year old, and some eliminated exemptions altogether.
- shortened the time adults could remain on the welfare rolls, regardless of work participation. In nineteen states, lifetime limits for welfare receipt were set below the federal maximum of sixty months.
- added other restrictions on eligibility and access. For example, states instituted so-called family caps that precluded cash assistance for babies born to mothers already receiving welfare.

While these state actions, taken under the rubric of devolution, may not have constituted a "race to the bottom" in reducing benefits, they might well be regarded as a "race to discipline" in reducing benefits eligibility and extending the domain of work enforcement. While there were some benefit increases for welfare recipients, devolution (along with other features of TANF law) assured that there were be far fewer recipients in a position to receive those increases.

Decentralization/Privatization. As a companion measure to the TANF law, Congress passed legislation providing funds for contracting welfare-to-work and supportive services (e.g., child care). The $3.3 billion welfare-to-work block grant fueled a virtual explosion in contracting, a much-discussed strategy of new managerialism. This governance strategy was sensible on its face, as it offered a way to quickly ramp up services and also marshal the expertise of non-profit and for-profit providers in behalf of work training and placement efforts. However, the spate of contracting produced in the wake of this measure demonstrated some of the weaknesses of this approach to provision. For one thing, the block grant was intended to provide only two years of funding. Although the federal government permitted states to draw on these funds for four years, they were effectively time limited, not available for long-term or even medium-term institution building.

Although one might point to exceptional accomplishments in selected programs, on the whole, contracting arrangements proved to be unstable, problematic (sometimes based on political favoritism), and suffer from accountability problems similar to those identified in the public sector. Evidence on contracting, pieced together from experiences across the country, suggests that contracting was problematic for non-profit and community social service agencies, whose independence and responsiveness were, at times, compromised by their contractual relationship with the state.[xvi] In addition, states generally did not use contracting to build new institutional arrangements that might support the welfare-to-work enterprise over time. For many agencies, contracts were short-lived and subject to changes in terms that were disruptive to organizational practices.[xvii]

Universitat de València - ERI POLIBIENESTAR.
Edificio Institutos-Campus de Tarongers. Calle Serpis, 29. 46022. Valencia.
Phone: (+34) 96.162.54.12– C.I.F. Q4618001-D
Email: espanet2011@uv.es

Many states attempted to use performance-based contracting, which is often thought to offer the most efficient and effective approach to service provision. However, states often relied on rudimentary performance standards, designed in ways that allowed providers to meet standards by placing individuals in jobs ranking at the bottom on the critical dimensions of job quality and opportunity—for example, rewarding placement in jobs that were short-term, minimum wage, and provided no employer benefits and few advancement opportunities.

Contrary to the imagery of contracting as a solution to problems of uneven service provision, state government agencies often lacked the capacity both to devise and monitor service delivery contracts. Studies have revealed the often subtle ways in which performance-based contracts taxed organizational resources, distorted performance, and eroded the responsiveness of community-based organizations to their constituents.[xviii] In some instances, both contracts and performance measures themselves have been subject to political manipulation.[xix]

Fully assessing the political implications of privatization and contracting is highly complex task, well beyond the scope of this working paper. However, it is possible to offer some observations. To the extent that contracted agencies became “stakeholders” in the continuation of workfare as a policy, this would underscore commitment to expenditures for work programs rather than for benefits. In fact, in the U.S., work-related services have overtaken benefit payments as the major share of TANF expenditures. To the extent that nonprofit agencies that, at one time opposed workfare, became workfare contractors, the implications for poverty advocacy must also be considered. More broadly, while diversification of provision has the potential to create flexibility and “buy” outside expertise, it also has the potential to diversify failure and blur accountability. Dias and Maynard-Moody’s case study of workfare services in a contracted, for-profit provider suggest the limitations of assuming "private" is "better" (Dias and Maynard-Moody 2006), especially given the way in which performance-based rewards have been constructed.

Performance measurement. Organizational practices (both in public agencies and private, contracted agencies) were shaped more generally by performance incentives directed toward enforcement of work participation and caseload reduction. Mistrusting states to be tough enough on work, Congress set performance standards that made states accountable for enforcing work participation requirements, with participation standards escalating over time. The law also specified a menu of acceptable work activities. States could receive fiscal rewards (bonuses) for caseload reduction and fiscal penalties (reduced federal payments) for failing to meet participation rates.

The law set state performance standards requiring that at the five-year mark[xx]:

- 50 percent of welfare recipients in single-parent households participate in welfare-to-work activities for 35 hours per week;
- 90 percent of adults in two-parent families participate in welfare-to-work activities for 30 hours per week.

The law also specified the kinds of activities that would "count" toward meeting these quotas: paid work, job search, unpaid workfare (in which recipients "worked off" their welfare benefits at minimum wage or provided child care for other welfare recipients). It limited the use of education and vocational training as "countable" activities to meet participation quotas, in effect, constraining the options for enabling activities.

The disciplinary incentives embedded in these provisions were underscored by provisions that effectively rewarded states for reducing their caseloads, no matter how they did it. States could receive a caseload reduction credit whether they brought the welfare rolls down by fulfilling the rhetorical promise of workfare or whether they cut caseloads by pushing people into bad jobs or simply off welfare.[xxi] This assumes greater significance when one considers what aspects of performance were not measured, that is, what aspects of performance did not matter.   Notably, states were not held accountable for workfare's enabling features, that is, for providing the right services to the right people, nor for the quality of services provided, nor for improving the lives of poor families receiving welfare while the so-called "clock" was ticking, counting off their months of eligibility for assistance under the 60-month lifetime maximum.

Nor was performance measurement used to hold states accountable for assuring access to financially eligible families. States were not required to monitor potentially exclusionary administrative practices or even known errors of exclusion. In effect, states had great latitude to reduce access through administrative practices that kept people off the welfare rolls or removed them from the rolls on procedural grounds. Participation rate requirements and caseload reduction bonuses created incentives to ignore – if not necessarily actively promote – exclusionary practices that contributed to measured performance.

An emerging body of research has begun to document the street-level practices that developed in the context of these governance arrangements, practices that appear to have exacerbated workfare's disciplinary dimensions and diminished its enabling ones.   Given the variation in workfare practices throughout the U.S. and difficulty of examining informal, discretionary practices, the findings of this research may not be viewed as conclusive. However, it does show how a disciplinary project advanced, in part, through informal organizational practices, including those that excluded potentially eligible welfare claimants. Practices of "administrative exclusion" (Brodkin and Majmundar 2008) occurred when street-level caseworkers used work rules as ammunition to disqualify people for "noncompliance," not because they refused to work, but because of breakdowns in paper processing, the complexity of work verification processes, and a veritable gauntlet of demands that claimants show up for meetings, appointments, and so forth (Brodkin 2011, Soss et al 2011).

In contrast, workfare's enabling dimensions were undermined as caseworkers were systematically pressed to meet quotas for putting individuals in work activities or terminating their benefits. At the same time, the provision of training and work supports was not similarly monitored or rewarded (nor were failures of provision penalized). Within local welfare offices and contracted welfare-to-work programs, participation rates and caseload reduction were closely watched, consistent with performance requirements incorporated into TANF law. At the street-level, careful monitoring of these aspects of performance, unbalanced by similar attention to other aspects of performance (for example, those relevant to responsiveness or quality of service provision) created conditions ripe for the development of a numbers-driven form of casework that, at times, reduced workfare's enabling features to a rote exercise of ritualization and reductionism (Brodkin 2011).[xxii] In this organizational environment, even caseworkers personally motivated to advance a more enabling vision of workfare were apt to be frustrated by the pressures to "make the numbers"(Dias and Maynard-Moody 2006).

Governing Workfare: Reflections on the U.S. Case

The picture of workfare that emerged after some 10 years of experience in the U.S. presented a mixed record, at best. But one finding is unambiguous. Welfare caseloads dropped dramatically across the U.S. In the first five years after welfare reform, the number of individuals on the welfare rolls had declined 57 percent. At the ten year mark, caseloads were down by 64 percent.[xxiii] Although more former welfare recipients were working (at least before the Great Recession), only a minority could be regarded as "better off" than they were previously. This is in part because the lower-skilled sector of the labour market tends to provide jobs that are characterized by instability of work and work hours, low wages, and limited benefits (in the U.S., health insurance tends to be a private, job-based benefit, but one often out of reach of lower-wage workers) (Lambert, forthcoming).

For those who could not relieve their own poverty through work in the paid labour market, the government's safety net post-welfare "reform" has offered little security. After a decade of efforts to bring caseloads down, poverty has increased, even before the economy started its downward slide. Poverty among children in mother-only families (those families most subject to workfare policy) has been climbing since 2001, with more than one quarter of these families (28.3%) living in poverty in 2007. But less than half (48 percent) of potentially eligible poor families were receiving cash assistance, as compared to 80 percent in the early 1990's. The situation for children is even more striking. Whereas more than half of poor children received some cash assistance in 1991, by 2005 fewer than 2 in 10 poor children received aid. Perhaps the one "bright" spot has been a modest expansion of the U.S. food assistance program (SNAP), which provides a means-tested income supplement that can be used to stretch a family's food budget.

Without offering an overly simplistic causal account, one can say, at least, that for state governments implementing welfare "reform," their great success at caseload clearance was not matched by similar success in improving the life chances of poor families through work promoting activities. Admittedly generalization is difficult in the face of the devolution of workfare's implementation to states and private agencies. In fact, we would suggest that might be regarded as one of devolution's political "virtues" in scuffing over the traceability of workfare's negative effects. In addition to devolution, governance reforms introducing various types of performance measurement helped to create a marked imbalance in organizational incentives, favoring activities associated with discipline over those associated with enabling. This unbalanced approach to governance, while it did not directly assert a policy bias, had important consequences for implementation by indirectly influencing organizational practices.

From an organizational perspective, TANF's governance provisions can be viewed as effectively defining the policy goals that mattered, emphasizing accountability for work enforcement and caseload clearance. These provisions were as significant for what they did include as for what they did not. TANF's governance provisions did not hold states accountable for providing the right services to the right people, for assuring access to eligible families, for providing any particular quality of services, or for improving the lives of poor families. In a little-remarked nod to this last concern, there was brief debate in Congress over an amendment to measure TANF's anti-poverty effects on children.[xxiv] However, these concerns were not incorporated into the final bill. Although TANF's governance provisions set the direction for policy delivery by advancing specified performance goals regarding work and caseloads, in an important sense, this strategy was incomplete. Following the logic of new managerialism, governance provisions were largely unconcerned with how performance would be achieved. It is in this context that street-level organizations went about the business of policy work.

One might conclude that the legislative compromise that combined enabling and disciplinary approaches to workfare effectively was rewritten by governance provisions that indirectly advanced a disciplinary project and, at best, neglected an enabling one. It is difficult to say whether the enabling features of U.S. workfare would have been effective in promoting economic inclusion had they been implemented differently.[xxv] But, for countries moving down a similar path to work activation and, particularly, for those incorporating similar types of new public management strategies as part their governance arrangements, the U.S. experience may offer a cautionary tale.

Governance Strategies and the Case of Danish Activation "Reform"

Since the beginning of the 2000s, the movement from passive to active and from human-capital to work-first inspired labour market policies has been initiated through formal policy reforms. However, it is remarkable that in recent years, governance and management reforms arguably have been given even higher political priority. This observation is the starting point for the analysis of the Danish government's deployment of governance as an instrument for indirectly advancing policy changes towards a work-first approach to activation. In order to get an understanding of these governance and management reforms, the next section will review key developments and examine the perspective of national government officials advancing these reforms.

Restructuring Labour Market Governance: Dismantling the PES

Since the 1970s, Denmark has had a two-tier labour market system. The state-run Public Employment Services (PES), as it functioned until 2009, primarily serviced businesses and unemployed covered by unemployment insurance, whereas *the municipalities* had the primary responsibility for welfare-oriented services and for the non-insured unemployed.

Constitutionally, the employment minister held the ultimate responsibility for *the PES*, which worked as a de-centralised state institution subject to strict central steering. The labour market organisations (unions and employers' associations) also had a strong influence on the employment services for the insured unemployed. Corporatist structures had been established already when the labour market emerged as an independent policy area in the late 1960s. The basis of this administrative corporatism was a number of labour market councils affiliated with the PES nationally and regionally. This was complemented with a strong political consultative role for the labour market organisations, especially through their close cooperation with the ministry of employment. Furthermore, the unions play an important role in the administration of the insurance system. The Danish unemployment insurance system is rather unique; it is characterised by high tax financing, virtually no employer financing, a high degree of compensation, and relatively long benefit periods. The unions[xxvi], usually organised by industry, administer the insurance funds (making payments, checking availability and enforcing sanctions, supervised closely by the National Directorate of Labour); the PES's main task was providing services related to reintegrating the unemployed into employment.

Seen from the centre-right government's perspective, there were two major problems related to this PES system and its ability to implement policy changes towards work-first. *One problem* was of a more general nature: the minister's direct political responsibility for the state-run PES. With labour market policy issues in general becoming politicised and subject to criticism, the minister was constantly being blamed for each and every small problem relating to the PES. This led to imposition of very tight central control of the PES, which again meant that the PES system was being criticised in the public and political debate for being bureaucratic, inefficient and ineffective. That is, the minister's (and the government's) direct operational responsibility for the running of the PES system in a highly politicised policy area was seen as a liability.

Another problem was the corporatist structure, mainly in terms of the unions protecting their members against too strict work-first initiatives, but also because the labour market parties (unions and employers' associations) tend to focus only on core labour, which does not fit well with the work-first intention of increasing the number of unemployed ready for work. An argument for de-corporatisation often put forward in this context is that, while

Denmark has been a success story when it comes to solving structural problems and combating unemployment in general, it is a very different picture if the focus is shifted to re-integration of heavily marginalised groups and integration of refugees and immigrants into the labour market. The political wish to relegate the labour market parties to the sidelines in the implementation process may, however, also have been part of a broader power game and rooted in ideology.

When explicating the intentions behind dissolving the PES and handing over full responsibility for the employment services to the municipalities, the former director of the National Labour Market Authorities (AMS) in a radio interview offered the following explanation of the problems with the PES as it was:

> "*There's definitely a wish to put some distance between a minister and problem areas like the employment services. Well, if it's the responsibility of the municipalities to carry out employment policy, then the minister can't be blamed if things fail to work out the way they're supposed to. And that was very much the situation in the ministry - we were blamed, almost on a daily basis, for not doing a good enough job, so yes, there was definitely a wish to distance the minister from all that …….*
>
> *There's also a power aspect of labour market policy, and putting municipalities in charge would cut off the labour market parties from influence, and that has also played a role in the decision to do so."*(Lars B. Goldschmidt, former director of AMS, interview on Danish Radio on 13 November 2008)

Restructuring Labour Market Governance: Addressing Municipal Implementation

Danish municipalities are run by directly elected councils and have a right to collect taxes. The municipalities have traditionally had the responsibility for providing welfare-oriented services, including services for the uninsured unemployed, who receive social assistance as a last resort. Social assistance is purely tax-financed, the state and municipalities contributing 50% each. Ever since labour market policy initiatives started to include this group in the 1970s, the municipalities have enjoyed a high degree of autonomy to design and implement employment services. The strongest central instrument has been economic incentives[xxvii].

The municipalities have been criticised for delivering services that varied too much from municipality to municipality, and for perceiving employment services in the paradigms of social policy approaches only. Hence previous studies have shown that the municipalities' implementation of employment policies tended to be more in line with a human-capital and social-integration approach than the legislative intention of work-first (Larsen et al. 2001). This implementation "deficit" could be explained by a combination of a high level of local autonomy and a different problem perception prevalent among the implementing agents and reflected in the methods and instruments used. This was also mirrored in the way municipalities organised their employment services in "traditional organisations" with a strong focus on input, the norms of professional social workers, use of generalists and wide discretion for front-line workers. So the organisation of employment services in municipalities made it difficult to change policy implementation towards work-first.

Despite repeated formal policy changes aimed towards work-first, the municipalities in general implemented a different and more lenient approach. These findings, among others, gradually led to a growing conviction among dominant policy-makers, especially the central bureaucrats of the labour market administration, that the municipalities were incapable of implementing work-first policies. In the process leading up to the political agreement on a new governance structure, the minister of employment was particularly outspoken in his criticism of the front-line workers' implementation of municipal activation policies. They were accused of protecting the unemployed from labour market reintegration by focusing on barriers, social interventions, and their clients' unhappy childhood rather than finding them the quickest possible route back to the labour market (Stigaard et al. 2006: 10).

The following quotes from the then minister of employment in the centre-right government illustrate this quite clearly:

> *"I don't know how many bad social workers there are. But I know that it is a big problem every time a citizen is met by social worker mollycoddling instead of professional advice. An overdose of social understanding creates socially imbalanced results."* (Speech by Claus Hjort Frederiksen, Minister of Employment, at the annual meeting of the Danish Association of Social Workers on 29 September 2003)

The gap between the government's work-first policies and the lenient implementation practised by local municipalities had to be narrowed. In a speech to the administrative executives of the municipalities' social departments 2003, the minister of employment made it clear that:

> *"…the employment system must be designed to ensure that the rules laid down by the elected parliament are complied with* […] *No Minister can live with the fact that [s]he is held accountable for something that [s]he has no influence on. We need consistency between central and local priorities."* (Speech made by Claus Hjort Frederiksen, Minister of Employment, at the annual meeting of municipal social services directors on 27 October 2003, www.bm.dk).

Likewise, these implementation gaps were increasingly recognised by leading civil servants in the central labour market administration. As the executive head of the ministry of employment (Bo Smith) and a top civil servant (Helle Osmer Clausen) described it: "*There is often a long way from political agreements on labour market reforms to the practical implementation at the operating level* […] *On a number of occasions, implementation seems like an 'black box'*. They go on to focus especially on the implementation gap between central and local government:

> "*The incentive mechanisms in the municipal part of employment policies need to balance diverse considerations, among other things because of local self-governance and municipal priorities. There is a need to do more research on how the intentions of general reforms are 'translated' and run through the systems – from the central political level, through local management in the municipalities, and then to the employment and social agencies, and, in the end, to the front-line workers*" (Clausen & Smith 2007, p. 75, p. 91).

In other words, the central decision-makers had a strong wish to gain strategic control over the municipal implementation of labour market policy and to push implementation towards work-first. The government faced problems in their attempt to push the preferred policy changes towards work-first in a very politicised environment, with the employment minister held operationally responsible for practically every problem that occurred in the PES. At the same time, the corporatist structure affiliated with the PES was seen as an operational barrier to implementation of the preferred policy, and probably also as undesirable from an ideological perspective. The implementation of labour market policy in the municipalities was also seen as problematic, as municipalities tended to soften the work-first inspired formal policy reform and instead continued to implement a mixed approach of both work-first and human-capital (and in part also passive) approach. Especially the front-line level was accused of trying to undermine the desired implementation of a stricter work-first approach. From the point of view of central bureaucrats in the labour market administration represented "*one of the most significant institutional challenges of employment policy in modern times.*" (Clausen & Smith 2007: 82).

These concerns of the national government gave rise to a strategy of major governance and management reforms. Having dismantled the PES as the primary institution for labour market services, the government moved to create municipal jobcentres, which would become the locus for administration of activation.

Devolution and Reform of Municipal Services

When the centre-right government took office in 2001, fundamental changes in the governance and implementation structure followed.

Reorganization: Jobcentres and Privatization. The first major labour market reform in 2002 ("More people into employment") created a split between purchasers and providers by partly contracting out services for insured unemployed. The government also declared its intention of setting up a new "one-stop" employment system by merging the national PES and municipal employment services. It was the government's intention to create an entirely municipal implementation structure, which in effect would imply a full transfer of responsibilities from the PES to municipalities, including a unified benefit system. The proposal quickly ran into strong opposition, mainly from the Social Democratic Party and the labour market organisations (unions and employers' associations), who preferred the state PES system where they had traditionally significant influence on the formulation and implementation of labour market policy.

After broad political negotiations about a local government reform, the government entered into an agreement with Dansk Folkeparti (the populist, anti-immigration party that has secured a narrow parliamentary majority for the minority government since 2001). The agreement was far from the clean municipal cut that the government had announced only two months earlier. Its preferred municipal employment system was from 2007 to be tested in 14 pilot centres (of a total of 91 jobcentres) and to be evaluated by the central labour market administration in 2010. But by classifying it as an experiment, the government used an often chosen strategy to keep alive a politically disputed proposal (Brodkin and Kaufman 2000). The evaluation of the experiment was planned to be completed in 2010, but already in November 2008 the government used the annual negotiations on the Finance Bill to (nearly overnight) make a decision to municipalise the employment services from 1 August 2009. Again the government used its slim majority to make the decision. This time the reform went even further than the intentions expressed in the first reform, as the public financing of the insurance system was now placed with the municipalities. The Government argued that this was the only way to give municipalities an incentive to get the insured unemployed into employment. In effect, this fundamentally changes the employment services, not least the traditional corporatist structure.

This new jobcentre reform made it possible for the ministry of employment and the central administration to escape the operational responsibility for the running of the PES system. In that sense, there can be no doubt that municipalisation was seen as a way out of the relentless bureaucratic centralism of the former national PES and as a way to de-politicise labour market policy issues at the national level. The governance reform definitely also represented a way to reduce the influence of the labour market organisations. True, the corporatist structure with labour market councils on national, regional and local levels was maintained, but already in the first jobcentre reform in 2007 they lost significant influence compared to the old councils, as their primary role will be monitoring and control. This loss of influence is further accelerated by the traditional municipal resistance against letting labour market organisations have any influence on municipal decision-making. Furthermore, the municipalisation of employment services, especially the fact that municipalities are to take over the financing of benefits for insured unemployed, can only be seen as a direct attack on the union-driven insurance funds and hence the unions. In that sense, moving the responsibility for benefits was used as a tool to weaken corporatist structures as well. Insurance funds have been maintained in the new structure; but it is hard to imagine that the municipalities will accept, in the long run, that they are to cover expenses while the insurance funds remain in charge of administration. Especially the funds' test of availability and use of sanctions are likely to become battlefields. If the unions eventually lose control of the insurance funds, it will pose a very serious threat to them as the funds constitute one of the most important channels for recruitment of new union members.

Performance measurement. This decentralisation of the services to the municipalities seems to fulfil the intention described above: reducing national political responsibility while at the same time weakening the corporatist structures (not least the unions' power). At first glance, the move still seems paradoxical: handing over employment services to municipalities while at the same time perceiving municipalities as the major obstacle to implementing a profound work-first approach. However, from the point of view of the minister of employment and the central administration, the reform was seen as an opportunity to gain strategic influence on municipal implementation: the new governance and implementation mechanism was accepted by the municipalities as the price to be paid for being allowed to take over the employment services. Hence, the governance reform was followed up by management reforms.

The new public management dictum of "steering not rowing" has been introduced through new performance benchmarks, output and outcome measurement, benchmarking and incentive mechanisms. All targeted towards a stronger work-first approach. Without doubt, one of the most important aspects is therefore the new steering concept applied to jobcentres. Rhetorically, the local jobcentres now have the operational responsibility for implementation of employment policy; but the central government and administration have strengthened their supervision, benchmarking, and output and outcome measurement of implementation. The ministry of employment sets a number of performance goals; e.g. in 2008 the goals included a reduction in the number of unemployed out of work for more than three months, and 25% of the unemployed passive for more than one year must be in job or training; this group had to be self-supporting 15% of the time on average and in activation 40% of the time on average; and the jobcentre had to reduce the number of young unemployed (below 30) compared to the year before. Municipalities (in cooperation with the local employment council) are allowed to add additional local goals, and all performance goals are written into a local employment plan.

The local jobcentres are monitored regularly and subject to an annual audit. If the jobcentres fail to perform as expected, the minister can ultimately contract out their services to private providers (after consultation with the local or regional employment council or the regional employment authorities). However, it is not just the goal-setting system and the threat of sanctions that give municipalities a strong incentive to perform: a new monitoring system puts additional pressure on jobcentres to deliver specific performances and results. The system goes beyond the goals stated for each municipality and measures a wide range of activities and effects of jobcentre activities. In addition, results are open to public inspection and designed to allow benchmarking of jobcentres with similar conditions (naming and shaming). This system may turn out to be even more effective than the ministerial performance goal-setting system in changing behaviour, especially by making jobcentres pursue short-term employment effects.

However, the principle of "steering not rowing" was still not seen as sufficient to change the organisational practice in the municipal jobcentres. Since the early 2000s, initiatives have been launched on a regular basis to standardise profiling and other methods used to assess the types of activation offered to the unemployed. These standardised methods focus primarily on ability to work (and not on any social problems) and the fastest route back into work. These input-oriented measures to make more services more standardised further limit the discretion of the (from point of view of central decision-makers) 'not to be trusted' professional front-line workers.

Finally, a further demand of the jobcentre reforms needs to be mentioned. Municipalities are now obliged to make an organisational distinction between their jobcentre and their benefit and social policy department. The jobcentre is only allowed to work with one single problem: getting people into work. This demand was seen as a yet another way to reinforce the primacy of work discipline in the implementation of the employment services.

Governing Activation: Reflections on the Danish Case

Danish activation reform remains a work-in-progress. However, from a *politics of governance perspective,* we regard as significant the extent to which the government's efforts to advance its policy project have relied on governance reforms. For example, we have suggested that the restructuring of the PES had political significance in undermining an institutional bulwark for advancing the interests of labour and its political allies. In effect, restructuring had implications for political participation and assertion of labour interests.

Paradoxically, reforms that presumptively strengthened the role of municipalities in policy implementation were accompanied by new managerial strategies that influenced *how* they would perform that role. The employment minister's responsibility has been significantly reduced, but the central government and administration have strengthened their mechanisms to exert control over municipalities. What has been introduced is a new governance system, using state steering and control to an extent never seen before in the municipalities. At the same, devolution arguably has reduce the visibility and traceability of the national government's responsibilities for the activation project and its consequences.

The next question must be to what extent governance reforms have succeeded in changing organisational practices and the policy-as-implemented. Have the employment and social policies in fact moved towards a more profound work-first approach, and if so, to what extent is this change related to new organisational practices? To answer these questions, the reactions of local politicians, jobcentre executives and front-line workers are crucial and will therefore form part of future analysis. To hint at the analysis to come, we do see evidence of the skewing of policy implementation toward a more disciplinary approach taking shape, but also some evidence of resistance and the possibility of reversal in a changing political environment (Larsen forthcoming).

Toward a Politics of Governance? Preliminary Thoughts

With this exploration, we have taken the first steps toward investigating the politics of governance in order to shed new light on the relationship between managerial strategies and welfare state politics. With that longer-term objective in mind, we have focused here a more immediate objective: examining the uses of governance in the transformation from a "passive" to an "active" welfare state (to use the European discourse) or from "welfare" to "workfare" (in the terms of American discourse). We singled out for comparison Denmark and the U.S., arguably, virtual polarities on the continuum of social welfare states. We reasoned that if we could discover commonalities in the political uses of governance in these distinctly different countries, it would indicate that the politics of governance merits deeper examination.

While our analysis is still tentative and incomplete, it does suggest some commonalities in the strategic use of governance in Denmark and the U.S. In both countries, the policy projects of workfare and activation were advanced, in part, through changes in governance utilizing familiar instruments of NPM, namely, devolution, privatization, and performance measurement. Of course, these instruments have not been used in exactly the same ways or, necessarily, with precisely the same consequences. Nor would we expect them to be. In each case, we would expect governance strategies to respond *both* to the specific managerial problems confronting reformers and also to the specific *political* problems associated with these policy projects in different national contexts.

In the Danish case, this made the PES an important target for restructuring. It had provided an institutional base for labour interests to participate in both creating and implementing labour market policy. From a politics of governance perspective, diminishing the role of the PES appears to be a manifest exercise in governance, but a latent exercise in political power-shifting. In contrast, in the U.S., labour interests are much weaker and do not have a similar institutional base for engaging in labour market policymaking and administration. The path to reform in the U.S. relied more heavily on devolution to state governments, giving them greater authority to administer welfare reform, but doing so under the financial constraints of a capped block grant.[xxviii] In effect, these governance changes constituted a low-visibility mechanism for creating incentives for states to "race to the bottom," not in setting lower benefit levels (already below poverty), but in reducing access to

Universitat de València - ERI POLIBIENESTAR.
Edificio Institutos-Campus de Tarongers. Calle Serpis, 29. 46022. Valencia.
Phone: (+34) 96.162.54.12– C.I.F. Q4618001-D
Email: espanet2011@uv.es

benefits and intensifying the disciplinary features of workfare. Devolution also to some degree decentralized political conflicts over these aspects of welfare policy, with each of the 50 individual states as a potential arena for conflict. The shift from a national to a state-based welfare politics has significance for coalition-building, generally, and for the prospects for "liberal" reforms, in particular, to the extent that the poor and their allies tend to have more limited political influence in most states than they do at the national level (although this is a complex story – beyond the scope of this paper -- and there are exceptions). At minimum, devolution laid the groundwork for growing inequities in access to the safety net depending on one's state of residence (a complete reversal of earlier reform efforts that had focused on reducing state inequities and setting national standards).

Privatization has played a larger role in the U.S. than in Denmark, arguably fitting the broader anti-government/pro-market sentiment in the U.S. and its historically weak bureaucratic tradition (Skowronek 1982). Outsourcing the state seems to be barely a matter of controversy in contemporary U.S. politics. Yet, it has political implications to the extent that privatization has diffused responsibility for policy delivery, obscured its visibility, and changed the configuration of stakeholders through the financing of a contract regime. In Denmark, thus far, privatization has been less important, more of an adjunct to primary strategies of restructuring, devolution, and performance measurement. This makes Denmark somewhat unusual in the European context.

Greater convergence in governance strategies can be found in the use of performance measurement. In both the U.S. and Denmark, performance measurement has demonstrated its utility as a strategic instrument, with both managerial and political functions. The choice of what to measure, although essentially political, generally has been regarded as if it were apolitical. Assistance caseloads, individuals in work "activities," young people or single mothers engaging in work: these familiar categories are toted up in both countries as if they were self-evident indicators of "progress" toward activation or welfare reform. Poverty rates, family well-being, social adjustment, economic equity seem to disappear behind the chosen catalogue of administrative indicators and the concerns they represent, effectively, displacing other concerns from the managerial and, potentially, the political discourse of workfare and activation. From the perspective of Schattschneider's seminal theory of conflict (1964), this is politically significant in that determining "what the game is about" affects "who gets into the game," and, thus, shapes the scope of conflict and its outcomes. In addition, to the extent that performance measurement influences the practices of activation in the street-level organizations "creating" it on the ground, they serve as indirect instruments of policymaking. The assumption that they "steer" only in politically "authorized" ways offers a reflexive legitimation, but without examination of whether this is, indeed, the case. As organizational research has shown, the street-level adaptation to performance measurement can be highly varied, complex, and, even more important, substantively different from what they purport to represent (Brodkin 2011, Dias and Maynard-Moody 2006, Soss et al 2011).

Our review of the U.S. and Danish pathways to reform indicates that both have relied on the strategic use of governance to advance the policy projects of workfare and activation. Our preliminary analysis, while still incomplete, suggests that rather than a "neutral" instrument of policy implementation, governance has been deployed to advance a particular approach to welfare and labour market reforms, one that places more emphasis on disciplining the unemployed than on efforts toward inclusion and well-being. Paradoxically, governance reforms are manifestly intended to promote political accountability. However, when the link between formal policy and the consequences of its informal implementation are difficult to discern, they effectively lack the "visibility" and "traceability" that are essential to political accountability (Brodkin 1983, Pierson 1994).

We recognize that our findings at this stage are more suggestive than conclusive. However, we believe that our exploration of the U.S. and Danish cases demonstrates that the *politics of governance* is worth a closer look. We would argue that regardless of whether governance reforms were part of an intentional strategy to pursue activation as a disciplinary project, or simply a (possibly misguided) managerial effort to promote accountability in a decentralized policy delivery system, it is important to understand their latent political functions. In the case of workfare and work activation, we see governance reforms as politically significant to the extent that they indirectly affect the practices of street-level organizations interpreting policy on the ground, limit the visibility and traceability of policy's consequences, and alter the political "playing field" and, thus, the scope and character of political participation in conflicts over what policy should be.

ENDNOTES

[i] On similarities and differences between "workfare" and "activation" as both policy and socio-linguistic constructs, see Barbier 2010 and 2005..

[ii] "Responsiveness" turns out to be a rather artful construct to the extent that it begs the question of who is responsible to whom and for what. It calls to mind Offe's observation about the terms "governance" and "globalization" which he sees "as curiously subject-less processes that one cannot attribute to specific actors but which rather follow the logic of price formation in markets: something happens, but nobody has done it and would thus be responsible for the result." (Offe 2009: 550)

[iii] For some examples of broad critiques by public management scholars, see Frederickson (1996), Moynihan, Radin, among others. There also is a growing empirical literature that looks closely at specific elements of NPM and how they work in practice. See, for selected examples, Brodkin 2011, Bredgaard and Larsen 2007, Considine and Lewis 1999, Fosset et al 2000, Johnston and Romzek 1999, Larsen forthcoming, Sandfort 2000, Soss et all 2011, Van Berkel 2009 and forthcoming, Van Slyke 2003, Wichowsky and Moynihan 2008.

[iv] On administration as a potent political symbol, see Edelman (1964).

[v] For a detailed discussion of the use of administrative reform in welfare retrenchment in the U.S.

(preceding legislative “reform” in 1996), see Brodkin 1986, 1987.

[vi] See Brodkin and Marston, eds., forthcoming.

[vii] According to Schattschneider’s (1964) theory of conflict, influencing “what the game is about” affects who can get into the game, e.g., participation and the “scope of conflict,” thus determining the outcome.

[viii] As discussed elsewhere (Brodkin 1990): “The institutions that deliver policy, at times, provide an alternative to legislative institutions as channels for social politics..... (T)he expansion and contraction of social entitlements is an obviously political matter. But ...at times, (has) depended little on legislative activity and largely on bureaucratic activities” (114). When conflicts are difficult to resolve through visible political avenues, “they may reappear in the form of technical or administrative questions during the implementation process. The bureaucratic responses to these questions... are infused with political content because they effectively give new meaning to policy” (115),

[ix] Moynihan (2009) offers a cogent critique of performance measurement, arguing that “the creation, selection, interpretation, and presentation of performance information is not an automatic or objective process...." (2). See also McGuire (2004).

[x] See Lasswell's (1936) classic definition of politics.

[xi] Handler and Hasenfeld (1991).

[xii] Ibid; Rein and Heclo 1973.

[xiii] For details, see Brodkin 2009, Weaver 2000.

[xiv] Rom and Peterson, 1998.

[xv] For example, the poverty line for an adult with two children was $19,157 in 2002. The average maximum welfare benefit was $365 per month and about $400 for food stamps, leaving a three-person family some $9,500 short of the poverty line.

[xvi] Alexander et al 1999, Brodkin 2005, Dias and Maynard-Moody 2006. Hasenfeld and Evans 2004, Sanger 2002.

[xvii] On the other hand, contracting proved to be redistributive, shifting expenditures from the poor to organizations providing services to the poor. Before welfare reform, 76 percent of federal funds went directly to aid the poor. Subsequently, only 40 percent made it into the hands of the poor, with the rest going to an array of service providers.

[xviii] Brodkin 2005; Dias and Maynard-Moody, 2006; Fossett, Googin, and Johnston, 2000; McDonald and Marston, 2002; Van Slyke, 2003.

[xix] Breaux et al, 2000; Roper, 2002; Van Slyke, 2003.

[xx] The law was updated in 2005 as part of the Deficit Reduction Act (DRA). At that time, performance measures were toughened. The DRA set work participation quotas at 50 percent for one-parent households and 90 percent for two-parent households. It is significant that the regulations implementing the DRA were more demanding and more restrictive than previous law in defining what "counts" toward meeting state work participation quotas. Arguably even more important, the DRA eliminated caseload reduction credits that states had obtained in recent years, credits which had alleviated pressures to meet rising participation quotas and further cut caseloads. Even before the recession came into play, the Congressional Research Service estimated that, without credit for prior caseload decline, almost all states would fall significantly short of meeting their quotas (CRS 2005).

[xxi] States could not receive credit for caseload reduction attributable to explicit changes in eligibility rules.

[xxii] The skewed emphasis of managerial accountability, arguably, might have been counteracted by pressure from claimants or their political advocates. But neither of these potential sources of balance have been significant in workfare's implementation. See, for example, Lens (2005 and forthcoming), Lens and Vorsanger (2005.)

[xxiii] Some states virtually purged caseloads, Wyoming and Idaho proudly announcing reductions of 88.9 and 85.1 percent. Even states with large, urban populations cut caseloads by one half to three-quarters.

[xxiv] In debate on this question in the House, Rep. Benjamin Cardin (D-MD) argued, “If child poverty goes up, we have failed.” Rep. Nancy Johnson (R-CT) acknowledged that the amendment raised an important concern. “This is something we want to achieve, to see women and children do better in America,” she

said. “But if you use poverty as a goal, you will reduce motivation for achieving other goals,” she emphasized. The Cardin Amendment was defeated in committee by a 5-8 vote. http://www.womenspolicy.org/site/News2?page=NewsArticle&id=5593

[xxv] For the case against workfare as a policy idea, see Peck (2001) and Piven and Cloward (1973).

[xxvi] The unions are quite strong as around 85% of employees are members of a union. One explanation often put forward to explain the high unionization is the unions’ administration of the insurance funds, as people tend to become members of the union at the same time as they take out unemployment insurance. However, the unions are losing members at the moment. There are several possible explanations for this trend, but one could be that the current government has allowed non-union insurance funds.

[xxvii] A strong economic incentive is e.g. differentiated refunding of social assistance. The state used to pay 50% of the costs, but to enforce activation it now pays 65% when social assistance recipients are in activation programmes, but only 35% when passive.

[xxviii] There are striking similarities here to Dutch governance reforms, which devolved activation to municipalities, but imposed a block grant embedded with incentives to use the discipline of “work first” to reduce social assistance caseloads (Van Berkel forthcoming).