Local Welfare Regimes and the Restructuring of the Welfare State – an Anglo-German Comparison *

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Abstract

Local social policy plays a decisive role in the process of welfare state restructuring and has not received adequate attention in the research field. Beneath the seemingly stable surface of national welfare states, local levels are developing new institutional arrangements and new combinations of policies. This paper analyzes these developments using the example of British and German education, youth and employment policies.

1. Local Welfare Regimes and Flexible Patterns of Adaption

Welfare states face a structural dilemma when social policy does not succeed in fighting long-term exclusion from the labour market. Either they have continued high costs of paying income-support to a significant proportion of the population for prolonged periods, or they must sharply reduce these payments, probably with adverse consequences for social cohesion and disadvantages across generations (Pearson/Scherer, 1997: p.9, Mingione, 1996: p.12). In larger cities, this dilemma becomes partically obvious. Current studies show that the development of cities have been characterized by social polarization and heteroganization, by social segregation and social exclusion (O'Loughlin/Friedrichs, 1996; Madanipour et al., 1998; Musterd 1998). These tendencies mark a clear break in the development and self-concept of Western welfare states and their cities.

Different local restructuring processes of the labour market and production structures are taking place which has been leading to
flexibility, and fragmentation of occupational structures and income situations. All of this depends on the involvement in global, national or regional economic cycles (Sassen, 1996).

Social exclusion as a consequence of “new” social risks originates mostly along the lines of economic and social modernization processes, which are generally not accounted for in the underlying assumptions about “normality” of the welfare state arrangement (Mingione, 1996). For example, it taken for granted that there is a smooth, linear school-to-work-transition. Due to conditions of mass unemployment and requirements of flexible labour markets, however, this transition between school and work contains many risks and pitfalls.

Above all, disadvantaged young people are in danger of being social excluded (Brauns/ Gangl/ Scherer, 1999; Maguire/Maguire, 1997). In this way there is a real threat of social disintegration and the formation of an underclass (Macdonald, 1997).

This paper argues that beneath the surface of seemingly stable welfare regimes, one can observe new institutional arrangements on the local level that are directed towards exclusion risks. This applies particularly to approaches to combat youth unemployment. The formation of transition systems can be observed between education, youth and labour market policy, where the traditional response of the welfare state - income support - is clearly inadequate in meeting individual and social requirements. The main problem that people now face is that they will not be able to establish themselves in their respective occupations. (Pearson/Scherer, 1997: 7). Furthermore, confronted with the increasing inter- and intraregional differentiation of social life and production patterns, centralized social policy seems to be no longer capable of tackling the heterogenous socio-political problems. Centralized social policy tries increasingly to influence the forms and conditions of local cooperation and coordination processes by frame-setting, information and incentive programs. Indeed, the role of the state is shifting from that of a dominant actor toward that of a strategic “enabler” and co-ordinator of other actors in public policy processes.

The position of the local welfare state can be viewed on different levels, such as from the perspective of the relative autonomy model, the agency model or in the context of the interactive model (Stoker, 1991:
Changes in the Local Welfare-State: In any respect, the local level has gained more political significance within welfare state restructuring (Hesse/Benz, 1990: p.234) in the following ways:

- As a framework providing benefits and personal services, local welfare state reacts to changing action requirements.
- As executive framework, its scope of action widens, because standardized goals of central state programs are no longer adequate for the increasingly differentiated social conditions of life and production.
- As a level of coordination and management, local policies have proved to be decisive because the numerous sectoral programs can no longer be coordinated fully by the state.

This paper is concerned with a problem-orientated approach focusing on the implementation conditions of effective transition systems between school and work. This research serves as a contrast to traditional analyses of local policy concentrating on the issue of local government’s autonomy from higher levels of government. Instead, this paper deals with the issue of the localization of social policy and the role of the local welfare state in the process of welfare state restructuring (see Geddes/Le Galès, 2001).

This article presents initial results of a comparative research project about inclusive urban policies for young people in Germany and the UK. The research project analyzes social policy responses of education, youth and labour market policies to high youth unemployment and exclusion of young people.

The comparison of Germany and the UK is based on a “meta-perspective”, which is based on the premise that potential approaches of effective transition systems can be seen mostly on the interfaces of education, youth and labour market policy on the local level. The comparison between Germany and the UK is particularly interesting because they belong to two most different types of European welfare states, including distinct conditions in the political framework of these examined policies.
Such conditions can be noted as:

- a centralized, respectively federalist state organization,
- the different distribution of education, youth and labour market policy responsibilities among different political levels,
- the relative weakness of British communal policy, which is under the ultra-vires principle and on the other hand the strong position in legal terms of German local authorities with their guarantee for self-government,
- the different institutional formation of vocational training which results from diverging conditions and orientations for action of the employers within Liberal Market Economies respectively Coordinated Market Economies (Soskice/Hanckè ,1996; Estevez-Abe/ Iversen/ Soskice, 2001; Hall/ Soskice, 2001).

While workfare policies are central in the debate about adaptations of the welfare state to the conditions of post-industrial economies, efforts to optimize school-to-work transitions are a close second. However, these “new” transition systems need to be complementary to the traditional school-to-work transitions and incentive compatible, namely complementary to the coordinating capacities embedded in the existing political economy. “Because the institutional context of the British economy encourages the acquisition of general skills and militates against sectoral coordination, its government is likely to enhance skill levels more by expanding formal education than by trying to foster sectoral training schemes modeled on the German” (Hall/Soskice, 2001, pp. 46). Vice versa, in Germany coordination-orientated policies are more likely to be taken, which build on the traditional institutional frameworks of transition policies. In this respect, one can assume that there will still be a remaining divergence of transition policies, even if problems are similar. So far, the restructuring of traditional transition systems has in many cases only taken place on the programmatic level and have been implemented on a very selective basis. The concrete implementation and integration of the different fields of policies on the local level will only be accessible to a closer analysis in the future in the course of the research project, needing further local case studies.

2. Youth in Germany and the United Kingdom -- Cutting the Cycle of Disadvantage?
The traditional life course of the individual is organized mainly by the aspect of employment. Employment is assigning each part of life a particular task and function and it links them with one another. The function of childhood and adolescence is to prepare the individual for the working life. But if the transition from adolescence to adulthood is becoming more and more precarious, because of mass unemployment and flexible employment markets, then this crisis of the wage-earning society will also become a crisis of the young (Münchmeier, 1999; Wyn/Dyer, 2000). The change of social structures can be felt predominantly in those transitions between education and training system, from there to employment and finally also within employment, when changing from one job to another. Thus, there is an overlap in class, life-course and intergenerational risks of exclusion for the young (see Furlong/Stalder/Azzopardi, 2000). In such a dynamic perspective, unemployment and social exclusion are the results of previous life conditions and decisions, of current coping strategies and of the changing requirements of flexible employment markets. In how far those exclusion risks culminate for young people, depends also on the form and the institutional linkages between educational, training systems and labour markets.

In general, the United Kingdom is counted among the liberal welfare states and Liberal Market Economies characterized by flexible, deregulated labour market and a (competitive) education and training system focusing on general rather than industry-specific skills. In contrast to this, Germany is perceived as a conservative-corporatistic welfare state where the labour market is more regulated and the education and training system provides high industry-specific and firm-specific skills (Hall/Soskice, 2001: pp.21).

Similarly, the transitions between education and employment follow the rationales of these different welfare states. In Germany, two quarters of the young gain access to the labour market because of their professional qualification, but in Britain this access to the labour market is regulated by school leaving certificates. (Brauns/Gangl/Scherer, 1999). However, as there is no British equivalent to the German dual vocational and educational system, the young are threatened with higher risks of exclusion, because they are about to start their working lives and because of the high percentage of un- or semi-skilled employees.
As to the school-to-work transition, the following table points to the different patterns of transition systems in the two countries. While the percentage of young people who are both in education and employment is nearly identical, the part of the young who are solely in training, is much higher than in the UK. Vice versa, the amount of young people in the UK who have only employment and of those who are neither in education nor employment, is clearly higher than in Germany.

<table>
<thead>
<tr>
<th>Population aged 18-24 year old by activity status 1999</th>
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<tr>
<td>in education and employment</td>
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<td>in education and not in employment</td>
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In Germany, an increasing number of young people remain in the education system, while in Great Britain the young enter the labour market at a very early stage. This pattern is not without its risks, as the higher percentage of those who are neither in education nor in employment shows.

While there are 29% of the German 15-19 year-olds in the labour market, in Great Britain the figures for this age group amount to even 51%, but the rate of employment is becoming similar in the higher age groups.
Table 2:
Young employed and unemployed 1996

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<th>15-19</th>
<th>20-24</th>
<th>25-29</th>
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<tbody>
<tr>
<td><strong>in employment</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Germany</td>
<td>28,7 %</td>
<td>65,7 %</td>
<td>74,0 %</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>51,0 %</td>
<td>67,3 %</td>
<td>75,3 %</td>
</tr>
<tr>
<td><strong>in unemployment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>7,3 %</td>
<td>9,6 %</td>
<td>8,4 %</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>17,9 %</td>
<td>12,8 %</td>
<td>9,3 %</td>
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As the age-specific figures of unemployment have demonstrated, this early entry leads to severe difficulties for the young at the start of their (employment) career. Among the British 15-19 year olds, 18% were unemployed in 1996, while in Germany - where compulsory schooling continues to the age of 18 - only 7% were unemployed. Thus, Scherer in her analysis comes to the conclusion:

“Taken together, this supports the idea of a more stepwise and problematic entry processes in GB characterized by greater turbulence, whereas transitions are more clearly structured in West Germany, which also leads to the predominance of stable patterns (Scherer, 1999, p.26, see Biggart/ Furlong, 2001, p.16). At the same time, one can also observe a higher mobility on the British labour market (see Strengmann-Kuhn 2001). Thus, the percentage of long-term youth unemployment at all unemployed amounts to 52% in Germany, but only to 32% in the UK. However, the rate of youth unemployment in Britain has sunk from 15,5% to 12,6%, due to the economic trends and the youth long-term unemployment rate (6 months or more) in 1994 sank from 9% to 4%, while in Germany the figures for youth unemployment rose from 8,5% to 9% and the long-term youth unemployment rate is unchanged at 4%. On the whole, it is noticeable that the youth unemployment rate of the UK is approaching that of Germany. The early entry into the labour market, and the fact that benefits recipients have to be willing to accept either work or an educational measure on a compulsory basis, results in many young people being forced to accept odd jobs, short term employment or jobs which do not match their training. (Roberts 2000)
In Great Britain, one fifth of all young people between 16 and 19 are only doing odd jobs.

**Figure 1:**
**Youth unemployment rate 1985 – 2000**

The situation is particularly difficult in the educational system or on the labour market for those young people:

- who come from economically disadvantaged families
- whose parents have limited educational experience
- who are ethnic minorities, immigrants and travellers
- who have not been educated beyond lower secondary level
- who lack in basic literacy and numeracy skills
- who are trainees on remedial training programs who often fail to gain an effective foothold in the labour market
- whose parents are unable or unwilling to provide financial assistance
- who are young offenders, the homeless, the disabled and single mothers (Furlong/ Stalder/ Azzopardi, 2001)

It has to be emphasized that social, educational and labour policy risks add up. As the studies of education and poverty research show,
the educational system is the decisive “gatekeeping institution” and thus the distributor of social and professional positions. It reproduces social structures of inequality by grouping the young at a very early stage into different educational sectors. (Witzel/ Zinn, 1998). On the international scale, the German system of education is characterized by early selection and the small permeability between the different educational sectors. (Stauber/ Walter, 1999: p.5; Allmendinger, 1999: p.47).

Compared to this, the British educational system possesses a larger permeability and there is more variety. This bigger permeability is mostly due to the high percentage of comprehensive schools: 90%. Thus, in Great Britain, there is an enormous variety of competing vocational training and qualifications.

The arrangements and the effectiveness of transition regimes depend largely on the local labour market, policy coherence between schools for formal and those for vocational training, the youth offices and the local job offices, local enterprises and unions and local authorities (OECD, 2000; BLK, 2000; MASG, 2000).

This is why a life-course orientated social policy becomes indispensable (Leisering/ Walker, 1998) which should support the individual in coping with the transition between educational, vocational and employment system - enhance the effectiveness of these transitions and provide gateway periods of social security. These structural responses contain a revision of national, educational, vocational, employment and welfare systems, which are open for the young. (Council of Europe, 1998: p.7). Principles of such integrated transition policies are (Walter, 2000: p.12):

- biographical orientation: policies require to open themselves for the question what the individual needs for the construction of his or her biography.
- contextualization: policies need to be aware of the structural and subjective aspects determining the individual’s actual position and life plans.
- The relation between flexibility and security has to be rebalanced in order to diversify success to viable careers without increasing individual risks.
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- participation: in a context of increased self-responsibility and decreased predictability of biographical destinations a democratic structuring of transitions means to accept participation of young people not only as objective but as an integral principle of transition policy.

These approaches demand considerable exertions from the actors and institutions on the local level. They also require the creation of local partnerships for the implementation of an integrated transition policy. Implementing localised social policies also implies changes in the role and the functioning of central administrations. The need for public policy to address both social and economic objectives in an integrated way is forcing administration to re-evaluate not only specific programs but the way policy instruments originating from different branches interact with one another.

3. The Local Welfare State During Re-orientation:

The formal structures and responsibilities of local government are an important factor of governing capacity, but local policy processes cover more. The local welfare state comprises an institutional perspective, which is not only regarding the local authority as a local (governmental) body, but which also includes all the other local actors on a territorial basis and which contextualizes local social policy into other areas of local policy (education, housing, health etc). The formal structures and responsibilities of local government are - from this point of view - a major factor for the positioning of local government in the numerous negotiating systems. In addition, local government can take the lead in local policy processes. Still, the local welfare state also needs the cooperation, coordination and collaboration with other agencies and actors (see Taylor, 2000).

The position of local authorities in the different states results from different traditions of the state rooted in differing political cultures, forms of state organization and the relationship between state and society.

The German local authorities are bound into cooperative federalism between the Federal State, Länder and local authority districts and the overall state financial system. The social duties of the local authorities are various. Self-governing of the local authority
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district allows them - in contrast to the British local authorities which are under the ultra-vires principle - to have the right to define most of their tasks themselves. In local social policy, the social and youth services are the key issues. While social benefits are a universal, income-related and subsidiary system of social security, which grant income support on the one hand, and social services to overcome welfare dependency on the other hand, welfare policies (help towards work) are part of the social assistance system. Child and youth services - in contrast to this - are limited to individuals up to a maximum of 27 years. It is almost exclusively planned as a system of personal social services. Part of the youth services are measures of social work for the young, which serve to promote educational qualification, to prepare or to support vocational training and to carry out employment projects for disadvantaged young people as well as measures during employment to help them enter the labour market. In the area of educational policy, the local authorities are mainly the bodies who fund school buildings and school equipment, while teachers and curricula are under the responsibility of the Länder. This split in school matters is increasingly criticized and numerous local authorities define their role with the term “widened responsibility for schools”. There is an emphasis on the active and shaping role of the local authorities and their functions of mediation and coordination (Hebborn, 2001).

Similarly, in Great Britain local social policy is characterized by a dominance of social services. Yet, the local authorities do not possess any general responsibilities, but the government and the parliament are regulating their tasks and competences. Professional administrators employed by local authorities may feel more responsible to a central department than to their own elected council. However, local officials are also responsible to their local council. This may be sometimes a source of conflict, when the council disagrees with government policy (Budge et. al 2001, 447). The local authorities are financed by fixed sums by the central government. The social services of the local authorities are mostly limited to personal social services, community care, education and among which are also the youth services, housing and urban renewal. Aside from local authority institutions, church and voluntary non-profit organizations and commercial service offers increasingly play a role.

These, however, are not bound into a “local welfare corporatism” like in Germany. Numerous reforms of the Conservative government
during the 1980s in the areas of education, housing, planning and community care aimed at a restructuring of local politics. Councils have become purchasers of local services constrained by the guideline laid down by the central government and the alternatives offered by the market (Budge et al 2001, 467). Still, there are other estimations emphasizing the increased importance of the local authorities. The starting point for community governance involves setting a wider role for local authorities. The task is not the delivery of a discrete set of services but a concern with the well being of the locality for which they are responsible (…) A second feature of the new vision is its emphasis on working in partnership with other actors and agencies. (…) A third feature of community governance is a concern with the outcomes of service delivery and diverse interests within any community “ (Stoker 1999, 15).

In the British as well as in the German debate, the moderating and coordination function of the local welfare state is referred to which is opening up new forms of coping with problems. For the formation of integrated transition systems, developments in education and training policies, youth policy and labour market policy are important.

3.1 Education

The German education system has the following characteristics: it is predominantly public within the framework of law, structured into different types of education, which is under the responsibility of the Länder and in which various bodies and factors of influence can be involved according to the educational sector, such as other state organizations or non-governmental organizations (federal state, districts, local authorities, churches, enterprises, associations and Kammern). In contrast to Great Britain, schools were predominantly planned as half-day schools, although there are some exceptions on a public or private basis. While school buildings and school equipment are financed by the local authorities, the Länder employ the teachers and create the curricula.

Viewing reform debates about education, the following four fields of problems can be distinguished during the 1990s (Zedler, 2000):
• the effects of changes socialization conditions of children and the young as well as changed requirements from the work and life environment
• an internal debate about the quality of work done in schools
• the competition between high spending on education and deficits in public households, taking sinking numbers of pupils into account as well as efforts to enhance the effectiveness of resource uses
• and finally, the issue of organization and management of school development. Current forms of centralized education planning have been criticized, as well as the growth of bureaucracy, the coordinative and implementation inconveniences, and the remoteness from “practical matters”.

The enlarged autonomy of single schools and the decentralization of school development prove to be an evolutionary path on which contradictory expectations to school policy have been processed.

In different federal Länder, there are currently experiments with model projects, for example the Berlin model project “school with enlarged responsibilities” or in Northrhine-Westphalia “the autonomous school” - model project “NRW school 21”. The basic thought is to bundle decision and management competences at the respective schools where the decisions show their effects and where responsibility for them has to be taken. How - in the end - schools will open up towards their neighbourhoods, which partnerships will be created with the local economy, youth services etc., will have to be answered by every single school by a creation of its own profile. Numerous local authorities begin, as a part of their self-image as “enlarged responsibility for schools”, to work on strategic framing plans which offer gateways between school, training and employment system.

Similar developments within education, such as a larger autonomy of schools or the increasing opening of schools towards their neighbourhoods and the extension of transition systems and supportive social services mostly for disadvantaged young people can also be observed in Great Britain. While school autonomy was considerably promoted by the Conservative government, the extension of youth social services is yet to be done. Furthermore, the complexity of British education and training systems and the overlap between
education/training and the labour market complicates clear transitions between school and work.

For a long time, schools (primary and secondary level) were under the Local Education Authorities and teachers were employees of this LEA. The local education authorities are responsible for the provision of education in primary and secondary schools, for early years education, the youth services and adult education. Schools are all-day schools (Ahrens, 1998: 525).

The development of the school system under the Conservative government can be summarized as follows:

- polytechnics (now universities) have been totally removed from local control,
- the management of schools (including decisions over hiring and firing and resource allocation) has been devolved from local education authorities to school governors
- schools have been given the opportunity to “opt out” of local government funding altogether and instead receive finance direct from central government.
- introduction of a national Curriculum and of testing standards of teachers and pupils increased central control.

With the School Standards and Framework Act 1998, the LEA’s were bound to promote high standards (see DfEE, 1998). The LEA’s have five central tasks:

- meeting special educational needs
- access and school transport
- school improvement and tackling failure
- education excluded pupils and pupils welfare
- strategic management

The task of local education policy can be described as follows: Local authorities are striving to ensure that all services which have a bearing on young people (education, social services, housing, health, police), whether provided by themselves or others, are working together in an effective partnership to achieve the best possible outcome - particularly for those at greatest risk of under-achieving. Such an approach is a key part to the strategy of social inclusion, reducing as far
as possible the effects of social economic disadvantage (DfEE, 2000). The practical outcome of local education policy, however, looks very different and depends on which role the actors attribute themselves (Radnor/ Ball, 1995).

While the British educational system has clearly traced trajectories for successful pupils in higher education, and foresees reasonably skilled and secure employment, disadvantaged young people find themselves in public training measures in which they cannot develop their own skills or knowledge any further. Numerous young people between 16 and 18 are neither in education nor in training measures, some experience a combination of short-term work, of poor jobs with no training, a lack of any purposeful activity and a descent into the hardest social exclusion spectrum (SEU, 1999). The causes of underachievement of disadvantaged young people often have its roots in a much earlier stage in young people's life and their poor backgrounds in deprived areas. In education policy, numerous further initiatives have been added, particularly to lead socially disadvantaged young people to educational success.

One approach is the Education Activation Zones (EAZ). They generally focus on two or three secondary schools and clusters of feeder primary schools with low levels of achievement in socially disadvantaged areas. They were testbeds for innovation in the context of the Labour government’s determination to raise school standards (Painter/ Clarence, 2001: p. 1216). The EAZ are part of a number of action zones (Employment Zones, Health Action Zones, new deal for communities). But there are a number of questions that have to be solved yet and contradictions, such as the role of local authorities in these action zones, the lack of co-determinosity in their boundaries, overlapping initiatives and lack of flexibility at the local level and the connection between EAZ and LEA’s.

“So the area-based initiatives complicated local governance, with private contractors and educational consortia operating alongside elected councils, non-elected agencies and partnership zones. Local authorities have to cope with programs, many targeted on deprived communities, separately conceived and, managed by individual government departments and subject to a variety of funding regimes” (Painter/ Clarence, 2001: p. 1221).
Another approach is based on the White Paper, Learning to Succeed (DfEE, 1999a) the formation of Learning and Skills Councils (LSC) covering England from April 2001 (DfEE, 1999b).

The proposed new system of post-16 learning should be coherent, accessible and responsive to the needs of individuals, businesses and communities. All post-16 funding for education and training is brought into a single body. The LSC replaces the existing further education and training functions of the Further Education Funding Council and training and enterprise councils in England and assumes responsibility for funding adult and community learning from local authorities. Local arms of the LSC will be responsible for co-ordinating area learning plans and building on the work of local Learning partnerships. They bring together into single, strategic bodies all existing local partnerships covering post-16 and lifelong learning. The new LSC works alongside a new youth support service called ConneXions addressed to young people aged 13 to 19. The aim of the new service is to deliver high quality, consistent and co-ordinated advice and support which meets individual needs of young people “for making sure that far more young people continue in education and training until they are at least 19”. For this purpose, ConneXions partnerships will be created at the LSC’s, which are responsible for strategic planning and the financing. Participants of ConneXions Partnerships are the Chairs. Their members are recruited from the chairs of local management committees - which are responsible for organising local delivery - the chief executive of the LSC, and representation from the private sector, and voluntary and community organizations.

But there are problems with this approach, such as the cooperation between local education authorities and LSC’s, or the lack of clarity about the respective duties of various bodies to provide youth service. And there are still tensions and breaks between the autonomous schools and the LEA’s and the LSC’s (The Guardian from 22. May 2001, The Guardian from 1. July 2001).

3.2 Youth Services

To buffer the transition between school and work, the Youth Services are becoming the focus of attention, because especially those young people who have a difficult social background show that there is a culmination of family, social and school problems. For them, a
transition into further education and training systems and thus into the labour market is particularly difficult.

Youth Welfare in Germany consists of a more or less fragmented collection of specialized services with different professional logics, offers and financing structures, which are bound together on the local level in the youth office under the Child and Youth Services Act.

The common goal is the elimination of individual risks and the promotion of children and young people so as not to leave it entirely to family and school. Because of the subsidiary principle, a large part of child and youth services are carried out by welfare organizations. As acknowledged bodies, they have a quasi-public status. Furthermore, there are a number of small initiatives, integrated into the “local welfare corporatism”.

The Child and Youth Services Act gives the local Youth Offices a general political mandate and attributes them a political function as protector of the young. (Jordan/Sengling, 2000: pp. 18-74). How the youth offices really fill the position assigned to them, is a question of policy-making in local youth policy.

Central tasks of child and youth support system are - aside from Kindergärten - help with education outside the home. Furthermore, there are numerous offers for the general promotion of the young. But - regarding social work within schools - considerable cooperation problems arise as to the question of financing between the Länder (as those who are responsible for interior school matters), and the communities, and on the local authority level between the school and youth offices.

Another important area of advisory and supportive youth services is the youth employment assistance. This is essentially a combination of youth work, vocational training and employment policy, and its aim is to support socially disadvantaged young people during their choice of a profession, their vocational training and their entry into the labour market (Hiller, 1999). Social work within schools is also a part of these measures - which is related to the pupils future careers; educational measures which prepare the young for employment, assistance during employment, vocational training for disadvantaged young people, employment projects which enhance the qualification,
further education as well as help with entry into the labour market parallel to employment. This exhaustive catalogue, however, is hardly implemented as a whole in communities. In many cases, there are ad hoc projects, which are financed by funds of job offices, Länder, the federal state, or EU programs, but which are not bound into a strategic overall concept.

This can be explained by the traditional orientations of local actors, which still assume a linear transition from school to work. The other reason is that tasks are scattered between social, youth and school offices on the local level and the job offices or the respective Land. Furthermore, many communities fear a financial overload if they engage in this area.

In contrast to this, in Great Britain child and youth services have a lower significance, due to all-day schools, because a large part of the problems youth work deals with become visible at school. Thus, since the Education Act (1944), youth work is a duty for local authorities, who from then on had the task to secure provision for the social, physical and recreational training and leisure-time activities in cooperation with voluntary organisations, but the extension took place in a very hesitating manner and mostly within the education system.

Youth services are organised in different ways in different areas of the country in order to respond to the local needs of young people. Usually they are provided through a partnership between local authorities, voluntary and independent organisations. There is no compulsory curriculum within youth work but the different elements of the youth service partnership have, in recent years, made efforts to clarify what the service should offer young people. These structures of youth services have been extended during the previous years. On the national level, the Children’s and Young People’s Unit was created in the DfES (former DFEE). This Unit now have to coordinate the different programs. Among these is, for example, the programme Sure Start, which is directed towards disadvantaged children between 5 and 13 years, the Children’s Fund, whose preventive part (of the programme) is addressed to 5-13 year-olds and the part Local Network which is directed towards all children and adolescents between 0 and 19 years. And the programme ConneXions targets the 13 to 19 year olds.
The ConneXions Service will provide young people with advice, guidance, support and personal development, differentiated according to their individual needs to help them overcome barriers to participation in learning and work, and to achieve a successful transition from their teenage years to adult life (Children and Young People’s Unit, 2001: p.13). The Local authorities have five tasks (Wylie, 2000):

- strategic leadership and planning
- securing appropriate provision for young people though coherent partnership arrangements
- representing the various local interests at regional, national and European levels,
- promoting the active involvement of young people in defining and governing the service
- providing high quality work

The ConneXions Service resembles a network of youth services and institutions. This network is supported by ConneXions partnerships on the regional level. In youth work (like in education policy) there are various overlaps between different governmental programs.

The Labour government has reacted towards this (overlap) with a “strategy for children and the young”, which is being coordinated on a central level by the Children and Young People’s Unit. In this way, a centralized network of institutions and actors is emerging which is managed by contract relationships between the National ConneXions Unit in the DfEE and the ConneXions partnerships.

3.3 Training and Labour Market Policy:

The German system of dual vocational training counts as one of Germany’s central location advantages and as a major factor for the comparatively low youth unemployment rate. This system is very differentiated, with each specialist vocational training being orientated towards a clearly defined professional qualification. The link between employers and labour unions, the close knot between training within firms and part-time vocational training schools are among its features. Therefore the German transition system can be defined as a
qualifications.

In contrast to that, in organisation models like the British system of vocational training, training is done on the job. (Heinz, 2000: p.163). However, the dual system of vocational training - itself in a transition from industrial to knowledge-based society - is faced with the need to adapt itself. Professional qualifications are getting obsolete quickly and new professions require a higher degree of social and organisational skills beyond occupational boundaries. The German strategy is to add more elements to the system of vocational training to enhance its efficiency.

This means that a demand for new forms of qualification is identified at an early stage and that these are included into the existing vocational training regulations. Further measures plan

- a modernization of part-time vocational training schools
- a far-reaching differentiation in the requirement profiles of the first vocational training
- the extension of dual vocational training in the tertiary sector
- a closer linkage of training and further education and an internationalization of vocational training (BMBW, 1999, p 11)

Furthermore, there are plans to improve the “trainability” and to ameliorate the orientation during choice of a career.

Special efforts are necessary for the qualification of non-German young people as well as those who live in socially deprived areas. For this purpose, there are plans to interweave more densely the preparation for training and the vocational training (Arbeitsstab Forum Bildung der BLK, 2001; Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit, 2000).

Socially disadvantaged young people can be promoted by regulations of §§ 235, 240-247 SGB III as well as by immediate action programs to combat youth unemployment. This can be carried out by the job offices. In addition, there are measures of youth employment assistance and help towards work carried out by the local authorities.
Having finished compulsory schooling with 16 years, pupils in Great Britain have four opportunities, which are the basis of the tripartite British education and training system. Their choices are determined substantially by the school leaving certificates that have been attained. These choices are:

- to remain at school (upper secondary education)
- to embark on a vocational course at a Further Education College (FE)
- to enter the labour market either by moving directly into employment or onto a work-based Youth Training (YT) programme.

For a long time, there has been a large gap between school and academic education. Vocational training took place largely “on the job”. The lack in qualification was seen - beyond party boundaries - as a severe mortgage for further economic development (Dingeldey, 1999: p.330). Therefore, British labour market policy had to take on much more far-reaching tasks in the area of the first vocational training. A large part of labour market measures have concentrated on young people (Mosley/ Degen, 1994: p. 10). Based on the National Skills Agenda, the vocational training tasks are described as follows:

- raising participation and attainment at level 2 qualification which offers full progression opportunities to an Apprenticeship or other Level 3 vocational or general education programme
- improving vocational qualifications and Apprenticeships and rationalize the confusing and incoherent system of vocational qualifications
- ensuring Progression and Transferable Skills

There are calls for a more flexible and responsive combination of on and off-the-job training with formal education as well as modular courses and qualification, demands, as they have been voiced in the German discussion. The promotion of vocational training overlaps with labour market policy for the young. That is why the boundaries between education and labour market policy begin to dissolve completely in training schemes which prepare the young for employment, qualification measures, training measures or public apprenticeships. Both the Labour government in the UK and the Social Democratic
government in Germany have started special programs to combat youth unemployment after they took office. In Germany the immediate action programs to combat youth unemployment (JUMP) were started next to existing instruments such as the promotion of the disadvantaged by the job offices, youth employment assistance within the Child and Youth Services Act and the help towards work within the framework of the Federal Social Assistance Act. In contrast to this, the New Deal for Young People supplements the above mentioned education and youth policy measures by referring to the age group of the 18-24 year olds replacing the former labour market policy measures for the young.

In Germany the promotion of the disadvantaged was created in 1980 by the Federal Ministry for Education and Research and enlarged till 1987. In 1988, the promotion for the disadvantaged was finally taken into the Employment Promotion Act and thus was given a legal basis. This embeddedness was not only a signal for a stabilization and consolidation of the social education curriculum, but also lead to an integration with the instruments of the job offices for preparation previous to employment. During the following years, the programme was further extended and differentiated on the professional level (see Thiel, 2001b). The promotion of the disadvantaged is supported by a network of organizations of the employers, the employees, the schools for vocational training, the youth and social services, the parties and service providers. (Thiel, 2001a).

To intensify the cooperation between job offices and the youth offices, recommendations were made by the leading local authorities associations and the Federal Employment Service for concerted efforts of job offices and the local authorities when dealing with the labour market and social integration of young people. (Informationen für die Beratungs- und Vermittlungsdienste, 2000: pp. 1571-1574). Such agreements have also been made for the collaboration between job offices and social assistance offices. The aim is to create a balanced network of all the involved institutions and actors. The following ideas have been voiced:

- a joint agency for the young to go to, for training and employment
- joint working groups of all the actors that are involved
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- a annual local report about supply and demand for vocational training as a basis for management and monitoring decisions
- joint integration and assistance plans
- joint planning and management of measures
- social work which is approaching actively those who are concerned

The action capacities of the local job offices to implement these requirements have been further enhanced by the instrument of “Freie Förderung” and administrative reforms within the framework of “concept job office 2000”.

JUMP was established in 1998 as an immediate action programme to lower the number of young unemployed, as a reaction to the high rate of youth unemployment and the lack of apprenticeship places. The programme is carried out by the Federal Employment Service. The programme has two fundamental goals:

- young people not having apprenticeships should be placed into training or receive help towards professional training. Part of this is also the making up of lower secondary school leaving certificates, the creation of apprenticeship places outside firms
- unemployed young people should receive support when they are placed into work by offering qualification and other opportunities.

The programme is directed towards young people who have left school, those who did not finish their training on an apprenticeship, long-term unemployed and new entrants to the labour force. Those young who are fit to begin training, are invited in written form by their local job offices and they are offered talks to advice, guidance and support in finding a training measure or job.

The following aspects belong to the most important measures according to the evaluation of the JUMP programme: subsidies for wages, training measures, employment schemes for the qualification as well as measures by which the concerned are approached, such as in the framework of youth work for the status Zero group (young people who are not in education, training or employment) (Dietrich, 2001: p.11). The programme as such contains various possibilities to combine parts or to combine them with provision of measures by non-governmental
organizations, to create an offer structure that really meets social needs, and which also involves schools and youth assistance. However, the largest part of the young is passing through only one measure.

The starting phase was characterized by a hectic creation of the respective institutions and projects. The job offices had to use the budgets they were given very quickly and in a flexible manner to show monthly results of success soon. This lead to a decrease in quality. To show figures that seemed to prove fast successes, those young who were already registered at the job offices and who were easy to place were dealt with first. Those young people who were harder to place and who were disadvantaged were considered only much later (Fialka, 1999: p.215). And - in many cases - only existing instruments and measures were used without setting new stimuli. There were also differences on a local level as to the ability to perform of the actor networks, a lack of coordination with the youth social work, an absence of personal continuity concerning measures by which the young are approached, missing interest of single job offices to detect “hidden” youth unemployment, no differentiated, acknowledged modular qualification system and lack of involvement of the status zero group. (Dittmann/Wagner, 1999).

The increasing variety of promotion programs is a big problem, on the local, Land, federal and EU level, so that enterprises are being overwhelmed by demands for apprenticeships, practical studies and jobs. They can choose between the better promotion conditions and applicants so that unintended creaming effects may ensue. Furthermore, the large number of promotion programs is not compatible. The different involvement of local actors into the decision making networks and project planning appears problematic. The developed partnership approach with binding agreements - as in the case of Great Britain - is almost completely lacking in Germany. However, the local authorities, representatives of employer associations and unions are involved in the self-governing of the local job offices, but there seems to be a lack of strategic management as well as a lack of service delivery partnerships.

The coordination between job offices, local authorities, enterprises, schools and social and youth offices is therefore depending on the different local processes of policy-making. However, even if the programme is evaluated and best practices are emphasized, the
necessary backing of the competition for quality by the hierarchy of the inspection regime does not exist (unlike in the UK).

The ideological model for the immediate measures was the New Deal for Young People (NDYP) in the United Kingdom. Its immediate aim was to reduce the number of 18-24 year olds experiencing long-term unemployment. Like many other measures of the previous government, the programme (for the enlargement of the education system, the creation of new professional qualifications, and the widening of publicly funded training measures) was a reaction to the dramatic rise of youth unemployment during the 1980s. The decline of the manufacturing sector has radically altered the sorts of jobs available to young people entering the labour market, especially for minimum-aged male school leavers who traditionally entered craft apprenticeships. Fewer young people now work in manufacturing while there has been a growth in part-time opportunities. The traditional ways into the labour market - therefore - were blocked for many young people and at the same time the requirements for the formation and quality level of the school leavers rose.

Until the introduction of the “New Deal” in 1998 there has been no major separate policy provision aimed at integrating young unemployed in the labour market. Participation is compulsory for all young people 18 to 24 years old in receipt of jobseeker’s allowance for six months. The aim of the programme is to ameliorate the employability especially of the disadvantaged young through learning and work experience and to integrate them into the labour market. The programme itself contains three central components: after 2 months of unemployment, the young are entering the gateway-period. The Gateway services are offering intensive advice and counselling by a personal advisor. The Gateway periods takes four months. If the unemployed have not found any non-subsidized work, in spite of intense efforts, the young have to choose between four options (work, education or training, environmental or voluntary work) offered to them by the New Deal staff after making of a New Deal Action Plan.

With these stages, the participants are entering the options period which usually lasts for six months or a year if in education or training. If the young people have not found work after this stage, the young receive additional support during their job search. This stage is called the Follow Through Period.
The Employment Service (ES) has the lead responsibility for the policy and delivery of the New Deal. The NDYP is managed on the national level by the Unemployment Unit in the DfES. On the local level, the New Deal is being implemented by New Deal Partnerships between the Employment Service and local organizations, such as the LSC, the trade unions, colleges, the local authorities and voluntary organizations. The local job offices have the leading role. The success of the New Deal largely depends on local partnerships working together effectively (Employment Service 1999). In this way, the local conditions of the labour market are taken into account.

If the German programme JUMP and the NDYP are compared, it can be seen that the German programme covers a wider area and that its structures are more flexible, while the NDYP simply offers some clearly defined options. While all young people under 25 have access to JUMP and while also those young can be reached who are not registered, the focus of the NDYP is on the group of young people who have received jobseeker’s allowance for 6 months (Rimmle, 2000).

The programme JUMP contains also less benefit sanctions and is more orientated towards training and vocational education measures than the NDYP, which is aiming at an integration into the labour market as quickly as possible. But both of these two programs have a central problem which is underlying all those approaches of welfare to work. If - as surveys show - the demand for employees is lagging behind the number of job seekers on the (local) labour markets, these approaches will have to function as waiting period and of welfarization of job seekers. (Theodor/ Peck, 1999.; Dolton/ Balfour, 2000; Dietrich, 2001).

4. Local Welfare States and Decentralised Social Policy

Education and employment policy, social and youth services have - since the 80s - been confronted increasingly with the problem of unemployment and exclusion of young people, which could not be dealt with sufficiently in the institutionally separated policies and administrative responsibilities. In situations where a multitude of problems culminate on one young person, the fragmentation of the
problem solving process can lead to dysfunctional effects. Attempts to solve these problems have concurrently been developed mainly on the “edges” of traditional solutions.

Education, youth and labour market policy in Germany and Great Britain have attempted since the 1980s to form an internal differentiation of single policies, without building up an integrated transition policy. When there was cooperation between schools, youth services or labour market policy, it was due to bilateral projects, which were considerably dependent on local actors. The search for a formation of coherent systems between school and work is becoming more visible since the 90s.

At the local level in many cities it is possible to observe the formation of steering groups and operative networks, working groups, committees, new administrative units, employment companies etc. Their task is almost exclusively the exchange of information and coordination of service delivery in a coherent framework in order to prevent educational failure and combat youth unemployment.

In education policy, both countries trend towards decentralization. Encouraged is the larger responsibility of schools to be directed by performance controls and suggestions for action by the state. Apparent in both countries is the “opening up” of schools in their respective neighbourhoods, youth service programs and most of all in the local economy. For example, there are Education Business Partnerships between schools and the local economy in the UK. Similar partnerships exist in Germany between schools and companies, initiated by the Chamber of Commerce in Berlin or the Foundation of the German Economy, or through a model programme of the Federal Ministry of Trade and Commerce. They serve to inform teachers and pupils about company requirements, and facilitate the making of career choices, both of which help link the education and employment.

In youth policy, Germany has an extended system of youth services at its disposal. However, youth job assistance has kept a low profile. In the UK, for example with the ConneXions Service, such services to the youth is only now being expanded. The youth job assistance is mostly funded by welfare organizations that offer measures of career advice, vocational training and employment. These welfare organizations are, due to their public status, bound to local
welfare corporatism. Unlike these organizations, the ConneXions Service is supported by ConneXions partnerships, which work closely together with the Learning Partnerships and the Education-Business Partnerships and cooperate with the Learning and Skills Council. These partnerships often form sub-groups, such as the Basic Skills, 14-19 Education and Training, Learning Gateway, Education Strategic Forum, workforce development, Post 16 Forum etc.

Labour market policy for the young is regulated by the New Deal for Young People in the UK and carried out by the Employment Service in cooperation with the New Deal Partnerships. These programs, in their turn, are subdivided into consultative or contractual partnerships, strategic or operative partnerships; or they can be differentiated by their respective thematic focus points in the NDYP (Employment Service, 1999). By helping the disadvantaged and including the programme JUMP, the job offices have a variety of measures at their disposal to support the vocational training of the young. Among these measures they help find apprenticeships and preparatory measures previous to employment, help during vocational training, training off-the job, and transition support etc. To cope with all these tasks, the Federal Employment Service agreed with the communal peak organizations on recommendations for the cooperation of the job offices with the communities, aiming at the professional and social inclusion of young people. Like the recommendations for the cooperation of job and social assistance offices, these fill the cooperation offers of the Child and Youth Services Act and of the Federal Social Assistance Act and Employment Promotion Act (SBG III).

A coherent institutional framework of transition policy is not yet visible and only very few coordinated service delivery systems can be found. These support systems are directed towards the end of compulsory education with preparational measures previous to employment and orientation during career choice. They lead the young through a system of vocational training and other training measures or further education offers a sustainable integration into the labour market.

These transition policies are distributed among different institutions in both countries. While in the UK the conceptualization of a transition policy took place mostly via a national state agenda and resulted in a plethora of overlapping partnerships on the local level, in
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Germany it is not clear where the impulses for transitional policy come from. In Germany, both the Joint Federal-Land Commission for educational planning and the Alliance for Employment made recommendations for an integrated education, youth and labour market policy. In addition, many federal Länder and municipalities, such as Wiesbaden (“Ways to vocational qualifications for all”) or Mainz (“Optimization of the local market for vocational training”), developed ideas for transition policies.

Because of the increasingly spatially differentiated problems in their governing strategies, national social policy tries to integrate these local policy processes by stimulating structures of decentralized self-regulation. The fundamental reorientation of the welfare state runs through a series of local experiments; economic and institutional arrangements that determine policy outcomes emerge over time and take on a distinctive local character of their own (Theodore/ Peck, 1999: p. 504).

The framework of educational and social policy processes is chiefly molded by the federal structure in Germany and by the central state structure in Great Britain. While local partnerships operate in the shadow of the hierarchical OFSTED inspection regime in the UK, local partnerships in Germany act in a framework of loosely interlinked arenas.

If current approaches and elements of transition policy in Germany and Great Britain are compared, there seems to be an additional difference on the systematic level, aside from the state organization. This additional difference can be put down to the different structure of vocational training within a Coordinated Market Economy and a Liberal Market Economy. On the one hand British efforts focused on the amelioration of general skills and the NDYP exists more or less alongside the LSC’s, the Learning, ConneXions and Education Business Partnerships. On the other hand efforts in Germany concentrate on help with career choice, career preparation in schools and the placement into jobs or vocational training.

As a result, there seems to be different transition policies (coordination-orientated versus market incentive policies), whose capacities for action are influenced by welfare state organizations in one respect and the different vocational training systems within different
capitalisms in another respect (see Hall/ Soskice 2001, p.47). This result is also applicable to welfare-to-work-approaches (see also Woods et al, and more generally Hega/Hokenmeier in this volume).

These two welfare states are similar in that they both have searched for an effective transition from school to integration into the labour market. The local welfare state plays an essential role in providing vision and strategic leadership for these local communities (DFEE, 1999b: p. 23; Stoker, 1999: p. 18). Within this process of integration, different policies and actors are inter-linked. It is, therefore, of crucial importance to examine how the local welfare state can take the lead in such cooperative networks. These effective transition arrangements are (or can) be provided by blending the resources, skills and purposes of various actors and institutions.

Notes

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