

Localising welfare-to-work? Territorial flexibility and the New Deal for Young People

Corinne Nativel, Peter Sunley, Ron Martin

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Abstract. The move towards welfare and active labour-market policies is often alleged to be closely associated with the decentralisation and localisation of welfare delivery and agencies. In the United Kingdom, the New Deal for the young unemployed was designed to introduce local flexibility and discretion in delivery to mainstream labour-market policy. We use case studies of five local areas to examine the extent to which the programme has actually been decentralised and benefited from 'local flexibility'. We categorise the arguments for policy decentralisation under four main rationales -- improved policy learning and adaptation, stronger partnership building, more innovation, and greater resource targeting -- and examine the achievements and limitations of the programme under each. We argue that, although the contractualism of the New Deal has allowed a certain degree of local discretion and cooperation in delivery, there have been strong standardised bureaucratic and financial constraints on the real extent of territorial flexibility. Although the limited decentralisation achieved has yielded some of the predicted benefits, the centralised nature of labour-market policy in the United Kingdom is proving resistant to change and, paradoxically, the programme is producing uneven results across the country. To conclude, we consider whether more local flexibility would be sufficient to improve the performance of the programme.

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