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Appraisal of the "Draft Programme for European
Social Fund Objective 4, 1995-1999"
submitted by the Kingdom of Sweden

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Appraisal of the Draft Programme from the Kingdom of Sweden regarding "Objective 4".

This appraisal of the "Draft Programme" is a sequel to our earlier appraisal of the Plan for the European Social Fund Objective 3. For our evaluation of the analysis given of the socio-economic situation, the description of the Swedish institutional pattern in the fields of education, labour market policy, etc, we refer to the earlier appraisal, submitted in June 1995.

1. THE RELATION BETWEEN THE SWEDISH "DRAFT PROGRAMME" AND THE ESF PROGRAMME.

The overarching goal for Objective 4 is stated as "... facilitating the adaptation of workers to industrial change and to changes in production systems". A specification of the goal for objective 4 is given by the following sub-priorities:

- the upgrading and reskilling of workers,
- re-orientation for that section of the work force threatened by unemployment (*From the Document: "Preparation of programming for Human Resources through the ESF from 1.1. 1994"*).

A more precise description of the relation between the overall goal and the goals regarding the target groups is the following:

"Whereas it is necessary to ensure that Objective 4 strengthens employment and job qualifications through anticipation, counselling, networking and training operations throughout the Community and that it must therefore be horizontal, covering the economy as a whole, *without a priori reference to specific industries or sectors*, be aimed at workers of either sex in employment, particularly those threatened with unemployment, and not at undertakings, and at improving their qualifications and employment opportunities...
...such operations should meet the general needs of workers of either sex resulting from industrial change and changes in production systems identified or predicted and are not designed to benefit a single firm or a particular industry." Council Regulation (EEC) No 2084/93 [our emphasis]

In line with these specifications, action should take the following forms:

- the anticipation of labour market trends and vocational qualification requirements,
- vocational training and re-training, guidance and counselling,
- assistance for the improvement and development of appropriate training systems [*Council Regulation (EEC) No 2084/93, in Community Structural Funds 1994-99 (p. 80)*].

The programme specifies the *target groups* that should be reached by the initiatives, being primarily workers, mainly those employed in small and medium sized enterprises who are threatened with unemployment and faced with industrial change and changes in production systems.

Goal Drift in the Draft Programme: From "threatened" individuals within target groups to the productivity problems of firms

The Swedish strategy in implementing the Goal 4 programme is constructed around the conception of strengthening the position of employees in both the firm and on the labour market by linking together:

- (a) measures to stimulate competence development,
- (b) the development of work organisations,
- (c) and corporate development in a combined and holistic programme.

The solution to the threat caused by the competence problems of certain categories of individuals is to build up a programme which is a "...holistic solution in which all factors are included".

The Swedish programme has as its aim to "...achieve a distinct growth of readiness to change and of competence development on the part of employees and *undertakings* in Sweden" (pp.1-2). Developing the competence of the employees "...is a necessary precondition for the survival of and *competitive capacity of the undertakings* concerned." (p.2) (Our emphasis).

The Draft Programme strongly argues that only if competence development is done in conjunction with and as part of organisational renewal will it lead to improvements in productivity and quality. Furthermore the understanding of competence development, and the role of education and training of employees is being contextualised and seen as being dependent on a change in work organisation. The Draft Programme argues that in the long run the competence problems facing individuals in sectors and firms that are undergoing changes, reductions, etc. are not to be solved by measures directed towards the individuals under threat but by making a much larger section of all Swedish working organisations into arenas that are "...conducive to learning and development". This signals a change of focus with regard to the threat of exclusion - *shifting the focus from the individual employee to the organisation of work*.

The Swedish Draft Programme prudently acknowledges that a massive problem in terms of competence exists for a large group of female employees, that are to be found in those sectors of employment that have been growing over the last decades, i.e. services that are devoted to health, care, education, and culture, where women have become employed to a very high degree. The target groups for Objective 4 are employment categories that have been hit by changes in work organisation and competence shift, which especially includes female office employees and nurses assistants in the hospitals and the health and care sector in general. If Sweden is to take the competence and employment problems of the female labour force seriously, then the areas of work where women in fact have found and still find employment should be explicitly considered in the programme and the competence upgrading measures should systematically include these categories, independent of the sector in which they are employed - as is stated in the Council Regulation, quoted on page 2

above.

Perhaps it is realistic to adapt to the plans of the firms to a certain degree, i.e. that they will be able to make use of the new funds and vouchers for their own purposes and for the groups that they point to as those that are suitable for further training. However, the shift of emphasis in Swedish Programme from a focus on the problematic competence profile of individuals within specified target groups to an emphasis on the productivity problems of the firms does not by itself protect the target groups from being laid off. The Swedish Draft Programme targets 50% of the resources to women (as we understand it, of the cost for the vouchers in Stage 2), but no other target groups are specified.

In order to minimize the effects of the "goal drift" in the Swedish Draft Programme, a solution could be to *target resources* not just to firms but also, on a regional level *to the most threatened groups*, i.e. those with low levels of formal education, older workers¹, immigrants, and specific groups whose work tasks are rapidly diminishing (such as orderlies and nurses assistants and office workers).

2. THE EXPERIENCE OF THE WORKING LIFE FUND AS A PRECONDITION FOR THE DRAFT PROGRAMME

The Working Life Fund (WLF) was a large-scale programme that during its short period of existence (1990-95) operated with the objective to reform work environment and to increase productivity through organisational development. The WLF programme has had a large impact on the Draft Programme. We can point to the following aspects:

a) The connection made in WLF projects between organisational change and productivity as well as between organisational change and the inclusion of the employees in decisions-making procedures have made a strong impact on scholars, trade unionists as well as on employers. The experiences gained from these funds have been extensively used in the elaboration of the programme for objective 4: the underlying philosophy of the programme, especially the close connection between competence development and organisational change which was the central feature of the Working Life Funds, according to the existing evaluations. Representatives of the different social partners as well as scholars in the field share the same positive evaluation of the link between organisational development, productivity and employee participation.

b) The WLF also persuaded many employers that the use of public funds to stimulate firm-internal processes of change was not entirely bad, but sometimes had very positive aspects, although the distance taken by Swedish Employers Federation to all aspects of Fund steering procedures have been clear. We think, and this is also based on information given to us in interviews, that the de facto acceptance

¹ The competence and exclusion problems of the older workforce are seriously underestimated in the Draft Programme, as well as in the socio-economic analysis.

of many employers to enter the partnership-based organisations that will run the decisionmaking procedures of the suggested Objective 4 regional and national committees, is to a large extent due to their good experience with the WLF model.

c) The fact that the elaboration of the Objective 4 programme was handled rather reasonable in terms of the participation of the social partners is due to the role of the WLF networks that obviously were used. Furthermore, the head of the commission responsible for the application was the leading official of the WLF.

d) The administrative apparatus seems also to be inspired by the WLF model. This was, according to our knowledge and existing evaluations, small and efficient. The WLF used indirect steering through distribution of funds. For the administration of the ESF Programme for Goal 4 the same structure seems to be the model. To the repertoire of means to be used, certification of educational programmes and consultants have been added. There is a small national executive office, a small regional executive branch (not precisely defined); these are linked to larger partnership oriented consultation and decision-making bodies, setting the scene for self-governing and networking activities, mainly geared to inspire, subsidize and support firm-specific competence-raising activities. This organisation for administering a programme that tries to induce changes in work organisations is well adapted for implementing the Draft Programme in the Swedish context,. However, given the productivity oriented focus of the suggested administration of the Draft Programme, the specific impact of the Programme on the target groups which are specified in the ESF Programme, should be continually monitored (cf. section 7 below).

3. POTENTIAL GOAL CONFLICTS IN THE SWEDISH "DRAFT PROGRAMME"

Tension between emphasis on productivity growth in firms versus risk of exclusion

The whole philosophy of ESF Objective 4 is to channel resources to small and medium-sized firms in order to protect or at least to increase the employment and re-employment possibilities of specific target groups that are threatened in their employment and job situation by the effects of industrial change.

If we look at the labour force as a whole, a graphic representation of the problem can sketched as follows:

Relation between rationalization, training and exclusion

There exist both in the text of the Draft Programme and especially among those that we interviewed different interpretations of the relation between the role of competence and organisational change on the one hand and the exit fate of many of those employed in firms that will undergo this programme. The conclusion of the studies that summarize the experience of the Working Life Fund programme point to the rise in productivity of firms and the shedding of personnel that accompanied the programme. The overall aim of stimulating increases in productivity of the small firms - and thereby enhancing their capacity to survive and prosper - leads to substantial shedding of personnel. Among the actors and the social partners there are three different arguments that seem to lead them to support the key ideas of the Draft Programme, i.e. what we have referred to as its "goal drift".

a) One traditional aspect of labour market retraining programmes has been to keep people threatened by unemployment on the payroll while using public subsidies to enhance their competence. Obviously some of the trade union officers alluded to this pattern as an explanation for their support for the Objective 4 programme.

b) A second interpretation is that those who are laid off should at least be given some sort of training in adaptability, etc. before entering unemployment (and thereby also increasing their possibility to be reemployed). This kind of competence development seem to be a rather weak and tenuous kind of competence upgrading.

c) There is also a third possibility, especially if there is lag between Stage 1 - i.e. the analysis of competence needs and organisational change in a firm - and Stage 2, where the training of the staff takes place. In such a situation some persons, and not least among those that are labelled as the specific target groups of this programme, will be laid off. This is what we should expect, given a wealth of data on the exit patterns of modern firms in the 1990s.

Competence of individuals or "learning" organisations

The Draft Programme has as a major goal, the creation of "learning organisations". This philosophy combines a couple of different traditions and goals. In Swedish labour market and educational policy there is a strong emphasis on the value of specific competence, especially in relation to the job. Experience and specific rather than general skills are central goals for education and especially vocational training in Sweden. Learning, especially for the target groups considered in the ESF Objective 4, is seen as being linked to the job and the situation of the firm, if it should be seen as valuable and worthwhile for the individuals. Furthermore, competence development without organisational development are seen as next to useless for the firms: only in conjunction with organisational change will competence development lead to productivity growth. Together these conceptions can explain the strong emphasis on the contextual character of competence, that is central to the understanding of competence development within the Swedish Draft Programme.

The programme states explicitly that shifts in competence levels of the employees will have no effect on productivity and (implicitly) on profitability if they are not accompanied by organisational changes. This sounds convincing, but the empirical evidence that supports this statement is not conclusive. There are of course many ways in which raising the competence and skills of the employees affects and can influence the fate of a firm. The argument in the Draft Programme *overstates the contextual character of competence*, which in particular will have consequences for competence development in small firms.

The Draft Programme is mainly devoted to support firm-based and firm-specific forms of training and competence build-up; this is intended to increase internal flexibility. But if the training is too firm-specific and too contextual, then the competence level of the individuals will in many cases be only marginally increased, i.e. the goal of external flexibility will not be honoured (cf. the discussion about competence development in Forrester et. al. 1993, *Adult Learners at Work*).

Most of the arguments about competence and training, about the link between the role of competence and training and the organisational changes, among the scholars and experts whose opinions were solicited by the Commission, are based on the experiences of companies that are larger and more advanced in many aspects than those that are selected as the key target group by the Objective 4 programme. The tension between the importance and role of knowledge transfer and the character of the social, organisational and economic thresholds for knowledge, especially in the small and medium-sized firms that are targeted in the programme are mentioned in the programme, but not solved.

The local and regional networks are obviously designed as a solution to the "competence trap of the small firm". This conception of the positive role of a thick organisational web (a congenial organisational ecosystem) has been forcefully argued by social scientists (Wolfgang Streeck and others). Thus there are good a priori reasons for the strategy chosen in the Draft Programme. But there is as yet little empirical data from Sweden to support this part of the programme. This aspect of the local and regional networks should be evaluated.

4. ESTIMATING THE SCOPE AND IMPACT OF THE VOUCHER SYSTEM

The Draft Programme focuses on small and medium-sized firms, where at least 30% of the resources should be devoted to small firms (with less than 50 employees). The distribution of number of firms and employees in firms of different sizes is shown in Table 1.

Table 1. Number of firms and employees 1994

| | Size of firms (number of employees) | | | | | | |
|------------------|-------------------------------------|------|-------|-------|-------|---------|---------|
| | 1-4 | 5-9 | 10-19 | 20-49 | 50-99 | 100-199 | 200-499 |
| Number of | | | | | | | |
| <i>firms</i> | 133' | 28' | 14' | 8' | 2,4' | 1.2' | 800 |
| <i>employees</i> | 250' | 180' | 186' | 236' | 168' | 167' | 251' |

In the Draft Programme there are two different estimates of the contributions that are expected from the employers in the financing of Stage 1 and Stage 2 of the competence voucher system. In section 8 on "Programme inputs" the figure given is two thirds of the total cost while in section 10 on "Funding" the figure is one third.

In a theoretical example we will use the average of these two figures to estimate the scope and impact of the voucher programmes. We will base our estimate of the total cost of the programme on a 50 percent contribution from the employers. This would mean that a total of 63 MECU x 2 = 126 MECU each year from 1996 would be spent on the voucher systems (stage 1 and stage 2).

In our examples in table 2 and 3 below we have made the following assumptions:

- that 50% of the resources will go to small firms (less than 50 employees) and the rest to middle sized firms (50-199 employees). To simplify our calculation we have set the cut-off point for SMEs at 200 employees although the EU Programme includes firms up to 250 employees.

- that in Stage 1 of the competence voucher system the nucleus that will develop a plan for the small firms on average consists of networks of five firms with one representative from each firm participating, and the nucleus in the middle-sized firms on average consists of five persons from every individual firm who works out a development plan for their own firm. It is estimated that the cost for the small firms is one days work every week during six months per participating person and two days a week for participants from other firms. The cost per day is calculated to 120 ECU per person.

- that the training and other activities paid by the competence voucher in Stage 2 entail on average 10 days of competence development outside regular work for each employee (either within the firm or outside). Here the cost per day is calculated to 100 ECU per person.

- that the costs for overhead and external support amounts to half of the total expenditure in both the Stage 1 and Stage 2 voucher programmes.

Table 2. Competence voucher-stage 1, number of firms involved.

| | 1995 | 1996 | 1997 | 1998 | 1999 | 1995-1999 |
|---|-------|------|------|------|------|-----------|
| Total funding (MECU) | 31,5 | 63 | 63 | 63 | 63 | 283,2 |
| <i>Small firms</i> | | | | | | |
| Total funding 50% (MECU) | 15,75 | 31,5 | 31,5 | 31,5 | 31,5 | 141,5 |
| Cost/person (KECU) | 3,1 | 3,1 | 3,1 | 3,1 | 3,1 | 3,1 |
| Overhead etc (KECU) | 3,1 | 3,1 | 3,1 | 3,1 | 3,1 | 3,1 |
| Cost/firm (KECU) | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 |
| Number of firms | 2540 | 5080 | 5080 | 5080 | 5080 | 22860 |
| As a % of all small firms 1-49 | 1,5 | 2,75 | 2,75 | 2,75 | 2,75 | 12,5 |
| As a % of firms 5-49 employees | (5) | (10) | (10) | (10) | (10) | (45) |
| <i>Middle-sized firms</i> | | | | | | |
| Total funding (MECU) | 15,75 | 31,5 | 31,5 | 31,5 | 31,5 | 141,5 |
| Cost/person (KECU) | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 |
| Overhead etc (KECU) | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 | 6,2 |
| Cost/firm (KECU) | 62 | 62 | 62 | 62 | 62 | 62 |
| Number of firms | 254 | 508 | 508 | 508 | 508 | 2286 |
| As a % of all middle sized firms 50-199 | 7 | 14 | 14 | 14 | 14 | 63 |

Table 3. Competence voucher-stage 2, number of employees involved.

| | 1995 | 1996 | 1997 | 1998 | 1999 | 1995-1999 |
|--|-------|-------|-------|-------|-------|-----------|
| Total funding (MECU) | 31,5 | 63 | 63 | 63 | 63 | 283,2 |
| <i>Small firms</i> | | | | | | |
| Total funding 50% | 15,75 | 31,5 | 31,5 | 31,5 | 31,5 | 141,5 |
| Cost/person (KECU) | 1 | 1 | 1 | 1 | 1 | 1 |
| Overhead etc(KECU) | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of employees | 7875 | 15750 | 15750 | 15750 | 15750 | 70750 |
| As % of employees in small firms 1-49 | 1 | 2 | 2 | 2 | 2 | 8,5 |
| As a % of small firms (5-49) | (1,5) | (2,5) | (2,5) | (2,5) | (2,5) | (11) |
| <i>Middle-sized firms</i> | | | | | | |
| Total funding 50% | 15,75 | 31,5 | 31,5 | 31,5 | 31,5 | 141,5 |
| Cost/person (KECU) | 1 | 1 | 1 | 1 | 1 | 1 |
| Overhead etc(KECU) | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of employees | 7875 | 15750 | 15750 | 15750 | 15750 | 70750 |
| As a % of employees in middle-sized firms 50-199 | 2,5 | 4,5 | 4,5 | 4,5 | 4,5 | 21 |

If the training, etc. that will occur in Stage 2 is likely to have any impact on the competence level of the employees, a minimum of ten days seems reasonable. There are of course investments in organisational development as such that are likely to bring about changes that involve fewer days. That is, the balance between training that is centred on individuals and organisational development as such has to be taken into account in deciding the volume of support going to each firm.

In the case of the smallest firms it seems realistic to change the financing profile of the programme, i.e. for these employees it may not be realistic to have the employer finance as much as 50% of the cost, because employee and network development might not be perceived to have a direct impact on the individual firm in the short term. That is, if the programmes do aim to include the employees in the very small and small firms (between 1 and 19 workers), then both the cost calculus and the organisation of the programmes will have to be organized differently.

5. THE PARTNERSHIP MODEL

Given the goal of the Draft Programme the suggested form of implementing organisation seems well chosen: that is, a temporary but representative delegation, brokering the diverse interests of different ministries and the major organisations of the social partners, as well as the major players in the education, training and competence field. The suggested ad hoc model can combine efficiency with flexibility. Given this structure, certain rules and restrictions should be devised in order to curb the scope of discretionary powers that falls on the secretariat and leadership of such an ad hoc organisation of the delegation kind.

In the appendices to the Swedish version of the Draft Programme there is a useful overview of the different networks and programmes relating to competence and training existing in the different regions. Two things stand out from this overview - the role of the social partners and the variety of forms and objectives existing in these networks. This variety of forms is taken into account in the programme, since the regional structure of the administration is only defined as a minimum skeleton, including only the social partners.

There is a tension in the programme between the kind of administrative organisation that is suggested and the role of the traditional apparatus in this area, i.e. the county labour market board and the county administrative board. How this kind of tension will be handled, if it will lead to new forms of handling the interface between political coordination, supply of education and research, and the self-interest of firms, through emerging forms of networks, should be made part of a research and evaluation project, looking both at the role of firms, unions, local authorities and the traditional parts of the state apparatus (regional administration, county labour market boards, etc.).

6. THE ACTORS IN THE SOCIAL ECONOMY

The social economy is enthusiastically given a formal role in the Draft Programme. But there are no funds reserved for these kinds of applicants and actors. On the contrary they could be seen as being marginalised by the strong emphasis given to the firm as the primary context for competence and training. The underlying philosophy of the Draft Programme seems to lead to a marginal role for all non-firm players in the field.

It is for instance remarkable that in the Draft Programme no role is given to one of the successful innovations in Swedish industrial relations that also have clear social policy and labour market policy implications, the Employment Security Funds. These bipartisan organisations (based on either employer-worker or employer-white collar collaboration) are often well tuned in to the dilemmas of different industrial sectors and also engaged in counselling as well as in training and organisational development. In the Swedish context this type of organisations should rather naturally be important actors within a programme designed to meet the ESF Objective 4 goals.

It is well in line with ESF policy to encourage actors in the social economy to take part in the Objective 4 programme. In order to make the participation of such actors possible a specific financing formula for actors in the social economy should be considered where ESF and the Swedish government share the total cost, as well as a targeted part of the budget.

7. A THREE-TIERED MODEL OF EVALUATION: DIFFERENT TASKS, DIFFERENT BODIES, DIFFERENT SCOPE OF EVALUATION

In the Draft Programme it is suggested that demands for follow-up and evaluation will be attached to all programme inputs. It is also stated that effects and goal achievements will be evaluated "from the outside". At the same time independent evaluations of each individual firm is considered too expensive (p. 72). These formulations seem somewhat contradictory, as it is not clear whether all programmes should be evaluated or not.

Another, and more fundamental, problem is related to the definition of effects and goal achievement. It is evident from the suggested examples of indicators that the main objectives are related to organisational development and the attached employee development. The main goal of the ESF Objective 4 is to prevent those threatened by unemployment as a consequence of changes in production systems from becoming unemployed. But the argument in section 9.3 in the Draft Programme indicates that this goal has not been given the highest priority, since follow-ups of the distribution of resources committed to different target groups are not considered as a main part of the evaluation of effects and goal achievement.

As an alternative to the proposed evaluation model, we would suggest a three-tiered evaluation system, which could satisfy both the needs of the Delegation and Monitoring Committee to get continuous information regarding the development

of the different projects in order to monitor the Programme and the need for knowledge that considers the more structural and long-term effects of the Programme.

1. At the first level, the projects in the individual firm or network of firms, we would suggest a *model of self-evaluation*. The projects self-evaluation would serve two purposes:

- contribute to planning and management of the individual projects, and,
- record and report key data about the project to regional and central offices.

One example where such a self-evaluation model was used in an EU-programme is the so-called Poverty 3 programme, where a standardized schema for recording data was used (cf. the discussion in Commins et al: *The Evaluation of a Complex Programme - The Lesson of the Poverty 3 Programme*).

Considering that the main purpose of Objective 4 is to prevent specific target groups (women, immigrants, handicapped, elderly, those with brief or obsolescent education) from becoming unemployed, one of the main criteria of goal achievement should be that the programme itself does not accentuate the exclusion and marginalisation of these very groups. Therefore, it should be reported not only how much of the resources that are committed to these groups, but also how many of them are still employed after the second stage of the programme. Such a comparison of the distribution of target groups in the workforce before the project is started and after it is finished would give information if the intended productivity growth and increased competitiveness had any negative effects in this respect. Hereby it would be possible to evaluate the effective balance of the different effects of the programme.

It seems reasonable that the central delegation, which is in operational command of the programme, should be responsible for *the continuous, day to day, follow-up in order to monitor the programme in relation to the goals* of the programme. To collect such information from a simple system of self-evaluation is probably the most effective way to get a comprehensive set of relevant data when resources are limited.

2. The Monitoring Committee has the overall responsibility for *the Programme achieving its predefined objectives*. This task requires reliable information on effects and consequences of programme activities. The main focus at this level seems to be more directed at controlling outcome than the daily monitoring of the programme (i.e. the first level of evaluation.) It might therefore be a good idea to separate the responsibility for evaluations that have different purposes (monitoring and control), where the Monitoring Committee would be responsible for the second type of evaluation.

Apart from the basic data from the self-evaluations there is a need for information that is independent from those interests that are directly involved in the different projects. This also makes it essential that evaluations of the programme are carried out by external evaluators.

3. A third type of evaluation that would be relevant in relation to the programme

has to do with *the organisation of the programme and the new forms of partnership and governance that it establishes*. Here the focus is not on the outcome of the programme in relation to the predefined objectives but on the role and workings of these new administrative and organisational mechanisms that are created in connection with this programme.

As the agencies and bodies that will administer the programme at the regional/local level will differ, it will be important to compare the advantages or disadvantages of different models. There is also the development of new forms of partnership. Evaluation of decision procedures and organisational models are probably essential to get an understanding of the dynamics of the programme. Important issues and question to focus on in this third type of evaluation are for instance:

- Do different forms of governance and organisation promote different objectives in the programme? Which are the relations between governance structure and type of intervention in relation to the interest of the firms of increased productivity and the EU objective of preventing social exclusion?
- What is proposed in the programme is a special type of decentralised partnership-oriented model that should achieve both increased productivity and social integration. To what extent has it been possible to achieve both these objectives?
- The impact of the new networks between firms as well as on the networks organised from above to supply the firms with expertise (trainers, consultants, etc.) should be thoroughly analyzed, with regard to their role in creating competence-generating mechanisms, organisational development as well as productivity.
- The new governance and intervention structures that this programme sets on the agenda, and their effectiveness in terms of preventing exclusion and increasing productivity, should be compared with the alternatives developed in other EU-countries.

Regarding the second and third type of evaluations we think it is important that the external evaluators are *independent* of the agency that commissions evaluation studies. It is also important to involve *different* evaluation groups. These should be independent of each other, both organisationally and with regard to their disciplinary background. In this way different teams would be able to illuminate different aspects of the programmes and projects as well as to conduct evaluations from different perspectives. Regarding the third form of evaluation in particular, i.e. the new partnership structures and regulation of production policy in Sweden, we think it is important that the body commissioning such evaluations is not linked to any of the interests involved in the programme, which would be the case with most of the Swedish agencies.

SUMMARY OF THE PRINCIPAL COMMENTS MADE IN OUR APPRAISAL OF THE APPLICATION FOR OBJECTIVE 4 (KINGDOM OF SWEDEN)

Our overall appraisal of the Draft Programme is that it is an interesting and well argued plan for using the Objective 4 funds to set in motion a programme of organisational development within Swedish firms on a broad scale. In the Draft Programme the goals of raising the competence level of employees, reshaping the work organisation of firms and thereby aiming at both productivity growth and increasing the role of employees influence in firms are fused.

Given a positive assessment of the overall structure of the Draft Programme, we then take up a couple of critical points.

(a) There seem to be a tension between the overall goal of the ESF Objective 4 and the operative goal of the Draft Programme. We point to the "goal drift", from the emphasis in the ESF goals of the competence problems of individuals within specified target groups and the emphasis in the Draft Programme on the productivity and competitive needs of the firms. We discuss the tensions and sometimes conflict between different goals and strategies that follows from a shift in emphasis from the needs of target groups to the needs of firms (Section 1 and 3). We discuss the following potential goal conflicts in the Swedish programme:

- shift of focus from individual to firm level,
- between emphasis on productivity growth in firms versus the risk of exclusion,
- organisational development versus the upgrading of the competence of the target groups.

(b) We have calculated the volume and number of firms and employees that would be involved in competence and organisational development, given certain assumptions regarding time and scope of local development programmes (Section 4). Since there are different ways of handling the goal conflicts, e.g. how to weigh the balance of diverging processes (growth and the indirect effects on threatened groups and the more direct exclusion of target groups), it is not possible to evaluate the total net effect of the Draft Programme for target groups.

(c) The Draft Programme will be implemented through an organisational structure that is well adapted to its goals, including an influential role for the social partners. The chosen organisational model is similar to a successful earlier organisation in Sweden, the Working Life Funds (Section 2). The use of the fund mechanisms for steering and inspiring changes within individual firms is well established in Sweden. Furthermore, there are good arguments for a new kind of organisation in order to implement new policies (cf. the creation of the modern labour market policies in Sweden in the 1940's and 1950's and the concurrent growth of AMS). The social partners are very present in the Draft Programme in terms of influence, but they

seem to be absent from the formal and real decision-making procedure (compared to EU standards).

(d) Both in terms of tasks undertaken, spending and implementing structure, it is reasonable to say that the Draft Programme meets the criteria of additionality.

(e) There is no real space opened in the Draft Programme for actors in the social economy, e.g. in terms of principles of budgeting. Nor are parts of the budget reserved for these actors.

(f) Finally we suggest a three-tiered model of evaluation, where we link evaluation tasks to decision-making bodies on different levels, implying different modes of selecting evaluation teams (Section 7).

Appendix

For our appraisal of the application for funds for Objective 4 from Sweden we have used the following material:

- reports, statistics, interviews with officials,
- the application (we have looked at the English as well as the Swedish versions),
- the extensive background material collected by the commission in charge of elaborating the application (preprint of the SOU 1995:34 and its appendices),
- a series of interviews with representatives from the regional agencies (County labour market boards, county planning departments, local authorities etc), officers of trade unions, representatives from employers organisations, scholars in the field, former officials of the Working Life Fund regional and central offices.