

# **DECISION MAKING, INTEREST INTERMEDIATION, AND VALUE: IN GOVERNMENT, PUBLIC, AND PRIVATE AGENCIES CORPORATISM FOR WORK PROMOTION**

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## **Abstract**

This paper analysis decision making, interest intermediation, and value in the realm of government, public and private cooperation under corporatism to enable young third-country immigrants' transition to work in Austria, Finland and the Czech Republic. Based on document analysis, this paper concludes a centralized delegation of authority, interest intermediations, and public values administrative devices in corporatism governance with democratic deficit that steer young third-country immigrants transition to work. However, the Czech Republic is dissimilar to Austria and Finland with the focus on relationship and partnership cooperation pattern to build contacts, where as Finland and Austria prefer cooperation in the form of coordinating varying employment objectives .The outcome points to deliberate democracy in neoliberal market-oriented setting. This is relevance to bureaucratic accountability and performance monitoring, but imperative to operational risk that may not only impair vulnerable people's belongings, but jeopardize public value accountability, sustainable finance and democratic values.

## **Keywords**

Corporatism, Decision Making, Institutions, Interest Intermediation, Employment System, Third-Country Nationals

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## **I. Introduction**

As recent decades have seen a growing interest in advanced democracies' public service reforms that promote the devolution of responsibility from the state to market, corporatism has emerged as a major topic of inquiry among scholars. Most researchers in the field agreed that corporatism emphasizes large interest organizations cooperate with each other and also with public authorities in the articulation, intermediation of interests, and authoritative allocation of values (Lehmbruch, 1979). On the one hand, corporatism encourages government's regulatory power in the negotiation of employment disputes

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(Edwards, 2001). On the other hand corporatism model faces risk because of Government inadequate capacity to monitor and hold private institutions accountable to the public (Streeck and Schmitter, 1985; Potůček and Rudolfová, 2016). The limitation of all these interpretations is that there is still little research in Central Eastern European (CEE) and other European countries explaining decision making, interest intermediation, and value in the realm of government, public and private employment agencies cooperation under corporatism model to understand young third country immigrants' transition to work. Specifically, to understand decision making, interest intermediation and value in the realm of government, public and private agencies cooperation under corporatism to enable young third-country nationals' heterogeneous subgroup' transition to work requires clarification. Hence, this article will deserve careful investigation of corporatism and its application to analyse decision making, interest intermediation and value under the state, public and private employment agencies cooperation in third-country nationals (TCNs) employment-related transition to work setting.

This paper analyses decision making, interest intermediation and public value in the realm of government, public and private employment agencies cooperation under corporatism to understand young third-country immigrant transition to work in Austria, Finland, and the Czech Republic. Unemployed young third-country immigrants in this study are non-EU nationals who voluntarily and legally move to one of the European Union member's state with visa and residence permits. The main research question of this study is: How does decision making, interest intermediation and public value in the realm of the state, public and private employment agencies cooperation under corporatism enable young third-country immigrants' (TCIs) transition to work in Austria, Finland and the Czech Republic? The sub questions are: (a) how does the cooperation contrast and (b) what is the implication to immigrants?

Based on a qualitative cross-national case-oriented research approach with fewer-country comparison, documents and scholarly texts are collected and analyzed by means of a document and content analysis techniques. The paper begins with section two discussing corporatism framework in state-public-private corporatist governance. Third, the methods of the study will be presented. Fourth, an attempt will be made to present the findings in the selected entities. Finally, this paper ends with some general remarks and conclusions.

## **II. Corporatism in state-public-private corporatist governance for work protection**

*Democracy is based upon the conviction that there are extraordinary possibilities in ordinary people.*

— Harry Emerson Fosdick

As recent decades have seen a growing interest in advanced democracies public service reforms that promote the devolution of responsibility from the state to market and civic sector, the model of corporatism governance has emerged as a major topic in public policy scholars (Williamson, 1989). It revolves against the pre-war variants of corporatism as practice in Nazi German and fascist Italy regimes and new corporatist strategies to promote class harmony and common pursuit of national development (Jessop, 2015).

Schmitter (1974) first denounced the class harmony problem in his article titled, “Still the Century of Corporatism”? The new institutional governance centres on the notion that a “social pack” arrangement involves specific relations that reconcile competing groups interest and make them compatible with public interest (Potůček and Rudolfová, 2016) in corporatism (Jessop, 2015; Wood, 2000). Corporatism emphasizes large interest organizations cooperate with each other and with public authorities in the articulation, “intermediation” of interest, and “authoritative allocation of values” (Lehmbruch, 1979) in policy formulation and implementation process. Nevertheless, governments face risk challenges in the new corporatist arrangement governance especially to fully hold private institutions accountable to the public (Streck and Schmitter, 1985). The government manages these uncertainties through negotiations that guide competitiveness and control the policy decision-making and implementation process. Hence, corporatism is relevant in this study to capture the dimensions, causes and consequences, and thus offers an empirical lens to understand the new corporatist governance discourse. In the next subsections, I discuss the three interrelated dimensions grounded on the corporatism conceptual framework – decision making, intermediation of interest, and value as corporatist new institutional governance – followed by the consequences and causes of the corporatism model.

### **Decision making dimension**

Decision making signifies a system of public policy making characterized by exchange between the state and organizations through organizational setting, delegation of authority, and compliance (Oosterwaal, 2011). Organizational settings refer to decision making in organization between the government and organizations (Pressman and Wildavsky, 1973) to manage problems. Organizational performance, for instance, prescribes the rule and guidelines to improve decision management (Arestis and Marshall, 1995). However, governmental and organizational rules in decision-making may differ to alter the policy outcome (Oosterwaal, 2011). Delegation of authority represents different ways of decision-making through decision management and legislative decision control (see Esien, 2019) for public accountability (Zinyama, 2014). Employment Acts, for instance, empowers, limits, investigates and censures, and regulates organizations action in the implementation process (Dunn, 2004; see Esien, 2019, 2020). Compliance is a regulative and restrictive institutionalized tool that conveys rules to limit actors’ preference (Zinyema, 2014) in policy decision making. Employment-related coding guidelines, for instance, in state’s governing mechanism – grants, contracts, and agreement – that involves private and nonprofit sector guide organizations’ conduct. However, political disagreement and decision complexity increase uncertainty about which decision will best achieve the decision makers’ objective (Holmstrom, 1979) that indirectly affect policy implementers’ compliance. In short, decision making establishes political agreement among all or the most important organizations in policy making and implementation process to promote corporatist arrangement. Nonetheless, there are other institutionalized patterns of policy formulation and implementation in the corporatist new governance.

In the next subsections I turn first to the specific intermediation of interest model and then to the notion of value in new corporatist institutional governance.

### **Intermediation of interests' dimension**

Intermediation of interest represents the necessity to organize the need of seemingly antagonistic groups through centralized interest groups and types of functional representation in employment systems (Carrasco, 1991; Schmitter, 1974, 1979; Peters, 2004). Centralized interest groups embody organized forms of interest groups of labour, employer and professional associations that are less competitive and oblige by law or informal agreement to consider their advice (Saurugger, 2004). The Czech Republic's Labour Office Advisory Board groups, for instance, coordinate the implementation of Government employment policies (see Esien, 2019, 2020). In Saurugger (2004) and Moore (2001) opinions, this improves distributive equity, civil consciousness and contributes to corporative democracy. However, political inequality exists, which indicates inadequate rights may hinder people from different sections of the population to take part in decision making (Miller, 2001). In contrast, functional representation exemplifies the notion that interest intermediation can be aggregated according to employment position and other groups social interest (Carasco, 1991). However, aggregate functional interest representation limits the provision for other interest groups (Cardoso and Mendonca, 2012; Carasco, 1991; Weiss, 1983). In Carasco's (1991) view, this led to liberal democracy that disintegrated the political community. In short, the specific intermediation of interest describes forms of less competitive associational organizational centralized interest groups and aggregate functional interest representation. Despite specific intermediation of interest, there are other arrangements in the corporatist model.

### **Value dimension**

Value reflects human communities' general need to coordinate the action of individuals and groups through polity, political ideologies, and policy (Potůček and Rudolfová, 2016). Values in polity represent shared values in human behavior codified as rules. The Declaration of Human Rights (UN 1948) and Charter of Fundamental Rights of the EU (2000; 2009), for instance, marked the recognition of the Universality of human rights codified in the constitutional and legal systems of all democratic countries. However, human right is a one-sided emphasis on rights without a corresponding attention paid to the other side of the coin-responsibility (Giddens, 1998). Political ideologies represent a form of social cement that provides social groups and the whole societies with a set of unifying beliefs and values (Gramsci, 1994). Different influential<sup>2</sup> political ideologies, for instance, coexist, compete and intermix in policy practice to balance social tension, enhance equal opportunities. However, the political ideologies framework simplifies the understanding and interpretation of social realities with misunderstanding (Mannheim, 1936; Heywood, 2012). Value in policy represents the assessment of individual countries' success with indicators of people's living conditions for quality and sustainable life

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<sup>2</sup> The characteristic of the different influential political ideologies include Liberalism, conservatism, socialism, environmentalism, and nationalism (Potůček and Rudolfová, 2016).

(Stiglitz, Sen, Fitoussi, 2009). The UN-sponsored Human Development Index, for instance, reports aspects of quality and sustainable human life. However, science cannot associate sustainability of life with the fate of mortal individuals, but rather the future life and living conditions of human society as a whole (Potůček and Rudolfová, 2016). Briefly, value represents different context to polity, political ideologies and policy that shape human behaviors. Despite shared value, government still face risks to hold private interest groups accountable to the public that results to consequences and cause of corporatism governance.

In the next paragraphs, I will discuss the consequences, followed by the causes of corporatism governance.

A considerable amount of literature has been published on the consequences of corporatism governance. In Streeck and Schmitter (1985), Mansbridge (1992); and Peter and Hunold (2001) opinions, (I) The arranged cooperative mode lead to social order, but embodies risk because the government cannot fully hold private institutions accountable to the public; (II) Traditional corporatist arrangements centres on deliberations by elites that exclude diversify groups of people and enforce political inequality; and (III) corporatist negotiations are basically non-public in nature that may clearly violates public value and inclusiveness. Despite consequences, there are different causes behind corporatist arranged governance that play a crucial role in corporatism new governance.

Data from several studies have identified the causes of the corporatist arranged governance. In the view of Edward (2001); Rhode (1991); Rhode and Molina (2002); Jessop (2015) and Zeitlin and Pochet (2005), the following causes are behind corporatist new governance: (I) Corporatism arose in the modern era as a politico-ideological critique of liberal capitalism; (II) Church intention to renew social organization represented by medieval craft guilds and advocate the enhanced role for self-governing interest groups; (III) Post-WWII impulse for “national Unity” sense that industry and labour has to work together in order to rebuild war-torn economies fostered tripartite (i.e. industry, labour, government) corporation; and (IV) The idea of tackling a “democratic deficit” in political institutions and mobilize the relevant public, private, third sector, and civil society “stakeholders” to develop more effective economic and social policies in an increasingly complex world.

Overall, decision-making establishes political agreement among stakeholders in corporatism new governance. The State, public and private institutions intermediation of interest takes place in less competitive form and aggregate functional interest representation. Moreover, the value of polity, political ideologies, and policy plays an important role that shape and guide corporatist preference to maximise policy net benefits. Although most researchers in the field agreed that corporatist institutions shared values (Dunn, 2004), there is still little investigation in Central Eastern European (CEE) and other European countries explaining decision making, interest intermediation and value in the realm of government, public and private employment agencies cooperation under corporatism to interpret young third-country immigrants’ transition to work. Hence, corporatism and its application is imperative to analyse decision making, interest intermediation and value in the realm of the state, public and private employment service agencies cooperation to understand young third country immigrants’ transition to work.

In the next chapter, I discuss the methodological and method part to investigate the phenomenon and derive findings to answer the research questions.

### III. Methodology and methods

The design of this study is from a comparative cross-national case-oriented research approach with a fewer-country comparison (Lor, 2011). The methodology has a number of advantages, such as the notion that it relies on a constructivist philosophical position about how the complexities of a socio-cultural world are experienced, interpreted, and understood in a particular context (Atteslander, 1971). Limitation to the study includes the notion that fewer countries may have different data sets for the same category (Hantrais, 2009). In addition, the study is limited to Austria, Finland and Czechia that indicate a “whole-nation bias” (Lijphart, 1971), and the arguments for and against the focus on countries (Sartori, 1991). Likewise, a suitable and exact countries’ choice is critical (Lor, 2011, 14) with low external validity making the generalization of the phenomenon difficult to countries not included in the study (Ragin, 1987). However, the findings may generalize a theory in the way social scientists theory-generate findings from one case study to the other (Yin, 2003).

Data were gathered from a triangulation of authorized employment policy documents, official employment reports and an overview of existing scholastic literature to offer corroboration and /or supportive evidence (Mayring, 2002) from Austria, Finland and the Czech Republic. The researcher used a multiple-purpose sample (Yin, 2003) to select the documents that have a long history and physical evidence to explain human behavior. The researcher investigates the documents during his stay in Prague and Linz from March 2019 till January 2020. The documents were in German, English, Finnish, and Czech. The researcher used official English translated versions or asked colleagues as well as used online English versions in databases such as OECD, ILO, European Union, and selected countries websites. For the online search and choice, the researcher inserted, for instance, “Employment Acts”, “Corporatism”, “Labour Code”, or “Third-country Nationals” in the search machine rubric. This generated a diversity of documents and materials that marks a major advantage of this research plan with a source that is less subject to error (Mayring, 2002).

The researcher extracted the passages with themes derived from corporatism conceptualized deductive categories (ibid). In the initial round of the coding process, the author of this paper reviewed phrases, sentences, and paragraph segments from the documents and other sources to code the data. In the first round of the coding process, the researcher developed the following suitable categories to enable the analysis: (I) Inclusiveness – Delegation of Authority; (II) large groups – interest, and (III) rules – Public value.

After several rounds of code deduction and all the evidence from the documents, reports, and scholarly text creating a big picture of the way in which the cooperation of the state, public and private employment agencies in corporatist arranged governance developed, interrelated and implicated young-third country immigrant transition to work was the author of this paper satisfied that the processes of data collection and analysis were completed and have arrived saturation to answer the research question.

In the next chapter, the author of this article presents the findings of this study to understand the phenomenon and answer the research question.

#### **IV. Government, public and private agencies cooperation for young third country immigrants' transition to work**

The previous chapter examined the document analysis. This chapter will look at the findings. It begins with the three themes that emerged in the previous data analysis chapter, namely (I) delegation of authority, (II) Interest, and (III) public value to identify the cooperation of the government, public and private employment agencies in the arranged cooperative governance and answer the research question.

##### **Delegation of authority for centralized public administration decision making**

This subsection looks at the delegation of authority in the corporatist arrangement for decision making. The delegation of authority is the government managerial, public administrative and regulative device to control performance decisions and improve the quality of public work in the public service.

For each of these countries, there is a centralized delegation of authority in the institutional governance framework (Esien, 2019). In Austria, the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK) is responsible for the labour market and employment policies (Labour Market Promotion Act – AMFG; BMSK 2013). The BMASK cooperates with the other ministries and also with individual Länder governments, stakeholders groups and other domestic foreign authorities for Government employment policies (ibid: 9). The labour market policy interactions between governmental and non-governmental institutions (BMSK, 2013) The Minister cooperate in the form of coordinating varying objectives, conducting a periodic exchange of views, creating the toolkit necessary for performing the tasks at hand, developing new laws, initiating projects, improving services and information etc (ibid: 9).

In Finland, the Government specifies the provisions for employment policy assistance and the use of employment appropriations for other promotion of employment (Act on the public employment and business service 2012, Chapter 12, Section 10). The Ministry of Employment and the Economy, the centre for economic development, transport and the environment, or the employment and economic development office are responsible for the public administration of Government's employment policy. The State promotes the functioning of the labour market and the supply of labour force together with municipalities, labour market organizations, enterprises, and other employers and citizens to secure economic growth, high employment, and wellbeing. The State cooperates in the form of coordination in the labour force, economic, industrial, educational and social policy, and employs measures to balance out fluctuations in the economic cycle.

In the Czech Republic, the Government developed the employment policy with the participation of other entities involved in the labour market and employers as well as the trades union (435/2004 Coll, Section 2 (2)). The Ministry of Labour and Social Affairs and the Labour Office is responsible for Public administrative of the Government

employment policy. The ministry cooperates in the form of considering the proposals of parties active on the labour market. The Labour Offices act as coordinator of other Labour Offices in their region in terms of implementing the state employment policy, tackling issues of regional employment, and intermediaries between district Labour Offices and the Minister (Kalužná, 2008). The Minister consults other social partners in terms of designing the concept and other policies (ibid). The Ministry regulates, controls, and monitors compliance performance of public administration. At the local level, cooperation is through relationship with other stakeholders in the Labour Offices advisory committee (ibid). They have no decision-making powers, but bring in valuable inputs in terms of information, contacts, and ideas, and may initiate local employment partnerships. Reforms in Austria indicates a high degree of fragmentation to the dispersion of policy-making capacity across different structure and institutions and a medium coordination quality at central government level to the capacity of the government to steer and ensure consistency of reforms and policy making between actors. (See Table 1) The combination of medium/high level of coordination with fragmentation at the same time suggest government requires good capacities in terms of working procedures, structures and instruments as well as professional civil servants (Thijs et al., 2017). In Finland, there is a medium degree of fragmentation to the dispersion of policy-making capacity across different structures and institutions and a medium coordination consistency of reforms and policy making between actors. In the Czech Republic, there is a high degree of fragmentation to the dispersion of policy-making capacity across different structures and institutions and a low coordination consistency of reforms and policy-making between actors. However, Austria (medium), Finland (medium) and Czechia (low) analysis identifies that coordination quality are a relevant aspect that needs the government improvement (Thijs et al., 2017).

**Table 1: Coordination and fragmentation of policy-making**

		Coordination quality		
		High	Medium	Low
Fragmentation	High		Austria	Czech Republic
	Medium		Finland	
	Low			

Overall, there is centralized governance in the selected entity institutional setting. In Austria, the Minister cooperates with the other ministries, Länder governments, stakeholders groups, and other domestic foreign authorities. In Finland, the state cooperates together with municipalities, labour market organizations, enterprises, and other employers and citizens to promote the functioning of the labour market. In the Czech Republic, the Government developed the employment policy with the participation of employers, trade unions and other entities involved in employment system. In Austria, the Minister cooperates in the form of coordinating varying objectives and information in the employment system. In Finland, the State cooperates in the form of coordination in the

labour market. In the Czech Republic, cooperation is through relationships and partnership in the employment system. However, the government faces challenges with coordination quality. These findings suggest that in general the government cooperate with a wide range of institutions, but face challenges in the open method of coordination (Jessop, 2007; 2015). These uncertainties might suggest ineffective regulation to defuse social unrest as the governments' strategies concern competitiveness and complexity (Zeitlin and Pochet, 2005) political crisis-management in liberal democratic mode (ibid). The reason for this may have something to do with government crisis-induce selective partnership limiting political representation that can impair beneficiaries' transition to employment system, when looking at issues such as employment transition of socio-economically disadvantaged groups in corporatist governance setting.

### **Interest intermediation for functional policy advice**

In Austria, the BMASK's Labour Market Department "assists" the BMASK in respect of his obligation within the active labour market policy on the definition of the overarching objectives, supervise and evaluate the activities of the public employment service, and approve fundamental financial policy decisions (BMASK, 2013). The public employment service (PES) is largely responsible for the development of Labour Market Policy tools. PES cooperates with social partners to match demand and supply for labour within the Federal Government's full employment policy framework (ibid). The PES organization model to an effective labour market policy is a joint and cooperative approach of workers', employers' and government representatives (ibid). Private agencies cooperate with the PES to offer information for labour market, monitoring, evaluation, examination, and performance (Gächter et al., 2015).

In Finland, the government "cooperates" with other authorities, working life organizations, and other stakeholders to support the implementation of public employment and business services (Act on the public employment and business service 2012, Chapter 12, Section 1, par 1)). The employment and economic development office in cooperation "appoints" an employment and business services advisory council (TY advisory council). The Advisory council "monitor", "promote" and "develop" activities to support the implementation of public employment service. The Minister of Employment and Economy cooperates with private enterprise to gain information for monitoring private employment service actions. Government and public institutions have the right to access this information for the implementation of public employment and business services. Private agencies have the right to access information on an individual client in accordance to service provision. Private agencies' noncompliance implies sanctions as regulated in Labour Code.

In the Czech Republic, Government coordinates other entities involved in the labour market with self-governing territorial units, professional organizations, organization for the disabled and employers organization for employment policy implementation (435/2004 Coll). In cooperation, the government maintains a centralized and remote accessible record system of persons interested in work, job seekers and the disabled for employment purposes (435/2004 Coll, Section 6, par g). Relations with other stakeholders active in the labour market are developed and maintained at each level of governance. Regional

branches of the Labour Office and Employment Agencies “cooperate” to intermediate their interest. The Labour Office cooperates with other actors and institutions to assist those in tangible need. Labour office assesses the effectiveness of new instruments for active employment policy and “cooperates” for employment, mobility of the workforce and the development of human resources (435/2004 Coll, 8, par r). The Labour Office establishes working groups and an advisory board. The latter “coordinates” the implementation of Government employment policies and human resource development. Private agencies have the right to request the Labour Office for information and advice in areas related to the employment of disabled persons and working conditions for disabled persons (435/2004 Coll., Section 79 (a–d)). Private agencies are obliged to cooperate with the Labour Office in the provision of vocational rehabilitation and maintain a record of employees. The record shall contain information of unemployed job seekers welfare assistance recipients (435/2004 Coll, Section 80 (a–d)).

Table 2 indicates that in Austria public administration (mandarin) was with influential cabinets (direct personal advisors to Ministers) as a significant source of policy advice without external experts (Thijs et al., 2017). In Finland, public administration (mandarins) is combined with external expert such as consultants, academic, international organization, think-tanks or business administration (Politt and Bouckaert, 2017). In the Czech Republic, public administration (cabinets) in combination with external experts remains a significant source of policy advice. The diversity of policy advice increases the likelihood that new ideas from outside the public sector are brought to the attention of the government (ibid). Interestingly, sources of policy advice in the Czech Republic are independent of mandarin (top civil servant). Other studies have found that the use of external experts can nevertheless decrease the “ownership” of reforms as an initiative coming from outside the public (Thijs et al., 2017). Another finding from the assessment of these countries also confirms that a combination of these sources of policy advice is the norm on their source of policy advice.

**Table 2: Source of policy advice**

Mandarins <sup>3</sup>	
Mandarins and Cabinets <sup>4</sup>	Austria
Mandarins and External Experts <sup>5</sup>	Finland
Cabinets	
Cabinets and External experts	Czech Republic
External experts	
All three sources of policy advice	

Source: EUPACK; seen and adapted from Thijs et al., 2017

<sup>3</sup> Top civil servants.

<sup>4</sup> Direct personal advisors to Ministers.

<sup>5</sup> External experts such as consultants, academics, international organisations, think-tanks or business administration can appear less legitimate among public employees.

However, experts from Austria, Finland and the Czech Republic's EUPACK country's emphasis a rather weak connection of direct citizens' participation in policy-making and implementation process (Thijs et al., 2017). Moreover, there is a consensus that in Central Eastern European countries that include the Czech Republic, citizen's participation is traditionally underdeveloped – in part due to the more recent transition to democracy (ibid). This may infringe citizens' voices in policy making and implementation.

In short, in Austria, Finland and the Czech Republic, government, PES and private agencies cooperate for interest intermediation. In Austria, PES cooperates with the social partner to match demand for labour within the Federal Government's full employment policy framework for employment possibilities. PES in joint cooperation with workers, employers, and government representatives represent the organizational model to an effective labour market. In Finland, the government cooperates with other labour market institutions. In the Czech Republic, PES coordinates labour market entities. The Czech Republic's Labour Office and employment agencies cooperate for intermediation services. Private agencies cooperate with the PES to offer labour market information for monitoring, evaluation, and labour market performance. In Finland, the employment and economic development office in cooperation appoints an advisory council to monitor, promote and develop activities. Access to information is open to the Government. Private agencies have the right to access specific client information. Private agencies are obliged to keep record and participate in intermediation activities. However, direct citizens' participation in labour market and employment policy implementation was rather weak. These findings suggest that in general interest representation is fairly consistent with public deliberation for joint problem-solving, but the diverse citizen participations are weak (Thij et al., 2017) to tackling "democratic deficit" (Jessop, 2015) as corporatist arrangement deliberation concentrate on elites instead to permit a more democratic process of public deliberation (Jessop, 2015). Therefore, the limitation can prompt political inequality with less diverse groups of people self-interest in negotiations (Mansbridge, 1992; Hunold, 2001). The tendency of not representing small businesses and community may exclude, concentrates on elites, jeopardize public accountability, and strengthened inequality that may impair vulnerable people's self-interest in employment systems, when looking at corporatist new governance setting.

### **Public value for equality in public accountability**

In Austria, § 59(2) of the Public Employment Service Act (AMSG) obliges BMASK to publish the targets defined for the PES's labour market policy (BMASK, 2013). These targets remain for several years as arranged. The current applicable targets communicated to PES in agreement with the social partners in 2010 include support to specific target groups to enhance equal opportunities in the labour market for women, young people, migrants and people with disabilities. Similarly, it embodies special requirements for quality standards between PES and clients to reduce poverty (BMASK, 2013). Targets binding agreements influence PES performance and behavior. Moreover, a balanced scorecard is used in PES process control. Other key indicators include client and staff satisfaction or indicators that reflect the quality processes and services for improvement.

PES cooperates with external entities to support people with special needs such as migration, psychological handicaps and gender-specific discrimination (BMASK, 2013). In terms of corporate PES clients, they develop a special feature for companies to provide an efficient service to employers (ibid: 32) The Equal Treatment Act (GleichG) bans any direct and indirect discrimination within the framework of an employment relations (BMASK, 2013).

In Finland, the provision of public employment and business service is based partly on clients needs (Act on the public employment and business service 2012, Section 4, par 1). Public employment and business service provides services that clients use on their own initiative as personal service. PES cooperates with other actors to offer service free of charge to clients for human resources development against poverty. PES and private agencies cooperate in service provision. Equality and partiality is maintained in the public employment and business service. PES and employment agencies inform a jobseeker in the case of any industrial dispute in connection with a job offer or other service (ibid). PES in cooperation with employment agencies promotes non-discrimination and equality between men and women in the provision, development, and information of public employment and business services.

In the Czech Republic, the Government and Labour Office, employers, and legal entities in accordance with legal regulations ensure equal treatment of all natural persons exercising their right to employment. Employers cooperate with the regional branches of the Labour Office and seek information and advice in areas related to the employment of disabled persons. The cooperative arrangement adapts procedure for people with disabilities workplaces and working conditions (435/2004 Coll., Section 79 (a–d)). For employment purposes, employers shall ensure equal treatment for all employees as regards employee working conditions, remuneration for work and other emoluments in cash and in kind (of monetary value), vocational (professional) training and opportunities for career advancement (promotion). Any form of discrimination of person’s exercising their rights to employment and in labour relations is prohibited.

Table 3 indicates that Austria (0.98), Finland (0.92) and Czechia (0.888) have an HDI score of 0.8 or above (in the very high human development tier) (World Population Review, 2020). These countries have stable governments, widespread education, and healthcare, high life expectancies, and growing powerful economies.

**Table 3: Human development Index (HDI) by country 2020 by population 2020**

Country	Human Development Index	Population 2020
Austria	0.98	9,006,398
Finland	0.92	5,540,720
Czechia	0.888	10,708,981

However, UNDP Human Development Report 2019 stressed that systemic inequalities are deeply damaging our societies and it will take 202 years to close the gender gap in economic opportunity (United Nation Development Programme – UNDP 2019; UNDP

2019). Another report from Amnesty International emphasizes that the Czech Republic authorities are violating the human rights values of Romani children in schools across the country that breach EU and human rights law (Amnesty International Czechia, 2015). Some reports found out that there is violence against women and girls' rights in Finland and existing legislation is not sufficiently protecting from sexual violence (Amnesty International Finland, 2019). Even more studies have reported evidence that suggest that in Austria there is still excessive use of force by the law enforcement officials that is not only unlawful, but may infringe ethical standards and people's human rights (Amnesty International Austria, 2019).

Overall, the government in the comparative entities HDI score is high and they signed the non-discrimination law. In Austria, the government developed a client satisfaction tool that reflects the value of quality service. In Finland, PES cooperates with other institutions and offers free service to clients for poverty reduction. In the Czech Republic, private agencies have the right to cooperate with the Labour Office for open information flow. Employment services are for all career advancement. However, reports emphasize systemic inequalities, gender inequality, and human rights violations. These findings suggest that in general these countries have stable government, but the corporative governance may limit public value accountability (Mansbridge, 1992, p. 54) and inclusiveness because groups facing segregation are not invited to the bargaining table and are often treated as outsider who lacks legitimacy voice in the corporatist negotiations (Hunold, 2001). The reason for this is not clear from the data, but it may have something to do with the idea that the tackling of democratic deficit in political institutions and mobilization of the relevant actors to develop more effective policies is an increasingly complex world with selective targeting tendencies.

To repeat, for each of these countries, there is a centralized delegation of authority in corporatist decision making. The state performs the dual function of its regulatory powers and as corporate actor with other institutions. Public institutions cooperate with a plethora of governmental and non-governmental profit and/or non-profit organization for Government employment policies. PES cooperates with employment-related actors, institutions, and social partners to monitors and controls labour market activities. The private agencies cooperate with the PES in the intermediation of services to a wide range of clients within the scope of human rights, equal opportunities and non-discrimination. Actors and institution are motivated and conditioned under legislature corporatist arrangement to conclude relatively stable contracts for better securing their interest and country's employment systems. Nevertheless, political inequalities, democratic deficit, problem with coordination, lack of ethical behavior, segregation, violation of human rights, and lack of public value accountability still prevail in the corporatist new governance which may impair the steering of young third-country immigrants and socio-economically disadvantaged ethnic minority groups smooth transition to work.

Despite centralized delegation of authority similarities, the comparative cases are dissimilar in their institutional setting. Unlike Austria and Finland, the institutionalized pattern of cooperation in the Czech Republic occurs through relationships and partnerships for valuable inputs in terms of information, contacts and ideas. Austria and Finland focus

on cooperation in the form of coordinating varying objectives in the employment systems. In addition, the Czech Republic is dissimilar to Austria and Finland, because it has a low coordination consistency of reforms and policy making between actors. Meanwhile, in Austria and Finland the coordination quality is medium level. Unlike Finland and the Czech Republic, Austria's public administration is without external experts as a significant source of policy advice. This model reduces the likelihood of diversity that new ideas from outside the public sector are not brought to the attention of the government and provide substantial discretion that appears less legitimate among public employees that is a serious hurdle to transparency, ethic, public value accountability, non-discrimination, Equal Opportunity Act and effective functioning of Austrian corporatist new governance. The result makes corporatist new governance problematic and may jeopardize young third-country nationals employment-related transitions.

## **V. Conclusion**

This paper analyzed decision making, interest intermediation and value under corporatism model to promote work. The research design consisted of a qualitative cross-national case-oriented research approach with a fewer-country comparison between Austria, Finland, and the Czech Republic. The focus was on state, public, and private employment agencies' cooperation to interpret young third-country immigrant transition to work.

The study has shown that delegation of authority, interest intermediations, and public value for equality administrative tools was a major perceived influence in corporatism governance. One of the themes to emerge in this study is the lack of public value accountability and government's reduce source of policy advice that limit a diversify pool of experts (Politt and Bouckaert, 2017; Thijs et al., 2017) with decrease likelihood that new ideas from outside the public sector are brought to the attention of the government (Politt and Bouckaert, 2017). These discrepancies are barriers to corporatism governance new open method of cooperation in complex policy making and implementation. Despite the comparative entities similarities strategic interdependence of actors and institutions, the state-public-private pattern of cooperation in the Czech Republic is dissimilar to that of Austria and Finland, because it is through relationship and partnership for value inputs in terms of information, contacts, and ideas. Meanwhile, in Austria and Finland, it is cooperation in the form of coordinating varying objectives in the employment systems. Moreover, unlike Finland and the Czech Republic, Austria public administration operates without external source of policy advice that reduces private agencies participation and provides a hurdle to equal opportunity and effective functioning corporatist governance (Edward, 2001; Jessop, 2005). This research confirms previous findings and contributes to our understanding that the institutional changes involve a wide range of functional interests and social movement and it extends beyond reactive economic and political crisis-management (Edward, 2001; Jessop, 2015). This transformation suggests proactive strategy and activities in other areas that are politically sensitive and complex in the corporatist governance (Jessop, 2015; Mansbridge, 1992, p. 54; Hunold, 2001, p. 161; Zeitlin and Pochet, 2005). One reason for this have something to do with competitiveness, democratic deficit, and social exclusion that may impair vulnerable people's transition

to employment systems, when looking at issues such as employment-related transition of young third-country immigrants and socio-economically disadvantaged groups in corporatist new governance setting.

However, a number of limitations need to be considered. The study, for instance, has been primarily concerned with Austria, Finland and the Czech Republic that indicates a “whole-nation bias” (Lijphart, 1975) and cannot be generalized to explain other countries leading to low external validity (Ragin, 1987; Lor, 2011). Nevertheless, it may be generalized to a theory in the way scholars’ theory-generate findings from one case study to the other (Yin, 1994, 2003). In addition, I have addressed only the cooperation of the state, PES and private employment service agencies. And to some extent, the researcher faced a language barrier, as some of the documents were in Finnish and Czech, but could use official English translations and support from colleagues. The study appears to support the argument for a wider and broader participation in corporatist governance in the realm of employment-related policy making and implementation ramification, especially to support third-country nationals and ethnic minority people’s transition to paid work. Further research should concentrate on young third-country immigrants’ personal experience as interest group representation in the realm of employment and integration-related corporatist governance arrangement.

In short, the findings suggest corporatism is a social or territorial pact and new corporatist governance with an arranged administrative device to strategically target agencies actions for selective open coordination in network economy and steer young third-country immigrants’ transition to work. If complexity in the policy making and policy implementation process prevails, problems of ethic, competitiveness, democratic deficit, social exclusion, transparency, political inequality, and lack of public value accountability will prevail not only to impair ethnic minority peoples’ labour market upward mobility and/or belongings but jeopardize economic prosperity, sustainable finance, and open democratic values.

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