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Varadkar announces end to JobBridge

Indecon report & LMC recommend new programme with more focus on training for unemployed

Consultation process launched for key stakeholders to advise on the new programme

Minister for Social Protection Leo Varadkar has announced the closure of JobBridge to new applications as he published an authoritative review by consultants Indecon into the programme.

The report by Indecon International Research Economists in association with London Economics finds that JobBridge was very successful in helping unemployed people from all age groups to return to the jobs market, and was viewed positively by most of those taking part.

However, it also confirms that JobBridge has served its purpose and should be replaced with a new programme with a stronger focus on skills, paying at least the minimum wage, and focusing on those unemployed for at least six months.

The Indecon report was reviewed by the Labour Market Council which has largely supported its recommendations.

Speaking at the report's publication, Minister Varadkar said: **"The Indecon report shows that JobBridge has helped around two thirds of participants, some 38,000 unemployed people from all age groups, to re-enter the jobs market. Although it was far from perfect, looked at in the round, it was a real success.**

"JobBridge was launched in 2011 at the height of the economic crash, when youth unemployment and emigration were soaring. Unemployed people could not get work experience without losing their benefits and employers could not afford to take on new staff. The economy and labour markets have changed dramatically for the better since then. Employers are hiring again, there are lots of jobs available, unemployment is down from over 15% to under 8%, and the Live Register is under 300,000 for the first time since 2008.

"So JobBridge served its purpose. The programme will close to new applications from this Friday and will be wound down. Those currently on the programme will be able to complete their internship. Our focus is now on providing appropriate work experience to people on welfare who need it to re-enter the labour market. The Department is therefore launching a consultation process with unions, employers and other stakeholders to design a new, more targeted work experience programme. In line with the recommendations from Indecon and the LMC, it will focus on the medium to long-term unemployed, have a stronger focus on skills and training, and should provide at least the minimum wage. I encourage all stakeholders to engage in this consultation."

Ends

Further Information

Consultation Process

The Department will now hold a consultation process on the principles proposed by the Labour Market Council, that a new programme should:

- Pay all participants the equivalent of the net minimum wage;
- Require employers to contribute to the cost;
- Be voluntary for both participants and host organisations;
- Place greater emphasis on skills development through workplace learning;
- Involve a greater level of monitoring by Department case officers;
- Be of shorter duration than JobBridge (six months instead of nine months);
- Be more targeted on longer term unemployed people (eligibility will be at least six months of unemployment);
- Only be available to private sector employers plus those public sector bodies that are in a position to offer employment at the end of a placement.

The Indecon report's findings

Indecon surveyed 10,500 participants and undertook a detailed econometric analysis of employment outcomes, by comparing JobBridge participants to a matched group of non-participants. It is the most authoritative source of information on the effectiveness and impact of JobBridge to date and finds that:

- Participants on the programme improved their employment outcomes by 32% compared to a matched group of non-participants;
- 79% of participants – about 38,000 people - have had some spell of employment since completing the programme;
- 64% of participants are still in work and a further 10% in further education;
- The majority of participants rated their experience on the programme positively – 70% of participants felt that the programme gave them new skills and provided quality work experience.

The study also found that most participants were more than 25 years old, and about 30% had been unemployed for more than a year. Some two thirds of the employers were SMEs, and most of the organisations were very satisfied with the programme. However most participants were dissatisfied with the level of payment and a sizable minority rated the programme negatively on some aspects, such as the quality of training.

Even taking account of potential job displacement, the programme broke even and yielded a positive Exchequer return over a two-year period; a cost-benefit analysis taking account of wider economic costs and benefits showed a positive benefit to the economy within one year.

Based on the findings, and taking account of the improvement in labour market conditions, Indecon suggested that JobBridge be discontinued in its current form and replaced with a new programme.

Labour Market Council Report and Advice

The Labour Market Council in a separate report submitted to the Minister critiqued the Indecon report, found it to be robust, and accepted that the findings indicated that JobBridge was successful in meeting its key objective of helping jobseekers secure paid employment. A majority of the Council also believed that the results indicate a continued need for a work experience programme and recommended that if JobBridge is discontinued it should be replaced by a new work experience programme.

Further information on the Indecon Report and the Labour Market Council report is available at www.labourmarketcouncil.ie and www.welfare.ie