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Department of Social Protection**

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**Activation in Ireland:
An Evaluation of the National Employment Action Plan**

A comprehensive study evaluating the impact of the National Employment Action Plan is published today (Friday, 12th May 2011).

Under the National Employment Action Plan (NEAP), people in receipt of Jobseeker's Benefit (JB) or Jobseeker's Allowance (JA) who reach three months duration on the Live Register are identified by the Department of Social Protection (DSP) and referred to FÁS, the national training and employment authority, for an activation interview. During this interview process, clients may be provided with job search assistance, and some may be referred to employment or training opportunities. The study is based on Live Register administrative data recorded from September 2006 to July 2008, so the evaluation refers to the impact of the NEAP over that time period.

The main findings of the study are:

1. There were problems of access to NEAP programmes: not all those who should have participated in an activation measure did so.

- A substantial group of jobseekers, about 25%, who were eligible for assistance under the NEAP were not identified and referred.
- Another group, over 25%, were not eligible for NEAP referral because they had received some form of assistance in a previous unemployment spell. The authors note that "this practice of excluding those who went through the NEAP process during a previous period of unemployment would appear to run counter to the underlying rationale of activation policies, namely, to assist those most likely to encounter difficulties in finding work.



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2. Those who participated in the NEAP activation interview were less likely to become employed.

- Comparing the outcomes of those who were referred for a FÁS interview under the NEAP, including both those who attended and those who did not attend the interview, with a control group of those who were not referred, it was found that the NEAP had a *negative* impact, reducing their chances of entering employment by about 17 per cent. This suggests that the interview element of the NEAP was an ineffective route to employment.

These two findings suggest the need for an overhaul of existing NEAP eligibility and administration, as well as provision of more intensive job search assistance. They also point to the potential benefits of Ireland following best practice in most European countries by developing a fully compulsory activation programme with effective monitoring and sanction mechanisms.

3. FÁS training programmes increased participants' employment prospects.

- Compared to a control group of individuals participating in a NEAP referral plus activation interview only, participation in FÁS training was found to increase an unemployed person's likelihood of exiting the Live Register by between 10 and 14 per cent. However, the cumulative effect of training plus activation interview was either zero, or at best, weakly positive, due to the negative impact of the NEAP referral process.

The recent reorganisation of government departments with responsibility for unemployment is a potentially positive development. A number of important reforms have been implemented:



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1. From January 2011, the Department of Social Protection (DSP) is to take a greater role in providing activation services for the unemployed, as well as for its more traditional role in paying benefits. This combination of income support and activation policies is similar to the role adopted by social welfare authorities in other countries.
2. The DSP is implementing a new case management system with a strong focus on activation, rather than just income support.
3. The Social Welfare Act 2010 provides for sanctions to be applied to unemployed persons on the Live Register unreasonably refusing to participate in training, education and employment offered by FÁS or DSP facilitators.
4. The DSP is introducing a profiling system for the unemployed, developed in collaboration between the Department and ESRI researchers. Profiling is a state-of-the-art statistically-based system for the early identification of those with a high probability of becoming long-term unemployed at the time they first become unemployed. This will facilitate the DSP and FÁS in delivering appropriate and necessary interventions with jobseekers according to their likelihood of becoming long-term unemployed., and provides the capacity to target resources on those who most need, and can benefit from, activation measures.
5. The Department of Education and Skills (DES) is to take responsibility for education and training of the unemployed. A crucial issue in this reorganisation will be which Department assumes control over services to the unemployed.

The authors comment that “we need to shift from a provider-driven system, as has been implemented by FÁS as well as other training and education bodies up to the present, to a system that puts the unemployed client at the centre and responds to his or her specific education or training needs. A strong case



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can be made for the DSP to act as the broker to acquire high quality, appropriate and effective education and training from the market on behalf of its clients.”

ENDS