

A Review of Department of Social Protection Employment Support Schemes



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Introduction

This policy review covers a range of programmes funded from the programme subhead “Working Age – Employment Supports” in the Vote for Social Protection. The most significant programmes covered and recent trends in expenditure, the average live register figures and total expenditure on working age income supports, are set out in the table below.

Table 0.1 – Trends in scheme expenditure, working age income and Live Register

Programme	Expenditure (€ millions)			
	2007	2010	2011	2012
	(Out-turn)	(Out-turn)	(Estimate)	(Estimate)
Community Employment Programme	357.5	368.3	356.7	315.2
Rural Social Scheme	47.8	46.0	46.1	45.7
Tús - Community Work Placement Scheme	0.0	0.0	30.0	84.0
Job Initiative	40.0	30.2	28.5	27.2
Back to Work Allowance	71.0	87.9	91.5	137.9
National Internship Scheme - JobBridge	0.0	0.0	20.0	65.8
Back to Education Allowance	64.1	179.8	198.8	183.0
Other programmes reviewed (est.)	10.0	16.0	17.3	15.0
Total above	590.4	728.2	788.9	873.8 ¹
Expenditure on Working Age Income Supports	3,491.5	6,669.2	6183.4	5,700 (est.)
Average Live Register (‘000)	195	442	445	440
Ratio Employment supports/Income supports	0.17	0.11	0.13	0.15
Employment supports expenditure per ‘000 on LR (€ million)	3.03	1.65	1.77	1.99

¹ The total estimate for the sub-head for 2012 is €964.4 million. This includes a number of expenditure programmes not covered in this review:- the Community Services Programme (€45.4 million); the Wage Subsidy Scheme and the Supported Employment Programme, both targeted at people with disabilities (€10.8 million and €8.6 million, respectively; and the cost of the Local Employment Service (€19.1 million).

"Passive" income maintenance expenditures rose very rapidly as unemployment climbed after 2008; the response in terms of expenditure on labour market programmes inevitably lagged somewhat, so the ratio of programme spend to income-maintenance spend fell from 0.17 to 0.11. More recently, programme expenditure has risen relative to income maintenance spending.

The review is focused primarily on assessing the contribution these programmes can make to the Department of Social Protection's activation policy stance, which aims to ensure engagement with customers of working age, who are in receipt of specified social welfare payments/benefits, in order to support them and their families in progressing into employment and/or other appropriate progression². The terms of reference are set out in Annexe 1.

Chapter 1 sets out the labour market background, recent and prospective, that will provide the context for implementation of the Department's policies in the short-to-medium term future.

Chapter 2 reviews the development of the Department's policy approach to activation to date, and the changes planned with the introduction of client profiling and case management. It summarises current activation policy as set out in the Government's *Pathways to Work* statement, and locates the schemes under review in the context of that policy approach.

Chapter 3 sets out a number of criteria to be used in assessing programmes in terms of their contribution to activation policy, reviews each of the schemes/programmes individually by reference to these criteria, and, where appropriate, recommends changes designed to enhance the programme's activation contribution.

The approach followed in the individual programme reviews has drawn on elements of an evaluation framework developed by Forfas.³ In mid-January 2012, the relevant management teams were requested to draw up a detailed analysis of each scheme using a programme logic model approach. The analysis in each case set out to define programme objectives, to review how, and how successfully, the resources and processes of the programme are deployed to meet these objectives, and to identify specific improvements that management considered would enhance scheme performance.

The review in Chapter 3 draws heavily on the material from these programme logic models, and on the insights of managers, while seeking also to put this information in the broader context of the assessment criteria identified at the beginning of the Chapter.

²Community Services Programme supports voluntary and community organisations to provide essential services and businesses to their communities. While Service providers are required to provide employment opportunities with an emphasis on employing the long term unemployed, and other marginal groups there is no requirement for the employing organisation to seek further progression for the employee given the nature of the grant and the programme objectives being pursued which focus on service delivery. For this reason CSP was not considered in this review.

³*Framework for the Evaluation of Enterprise Supports*, Forfas, May 2011.

Chapter 1 – Labour Market Context

Labour Market Overview

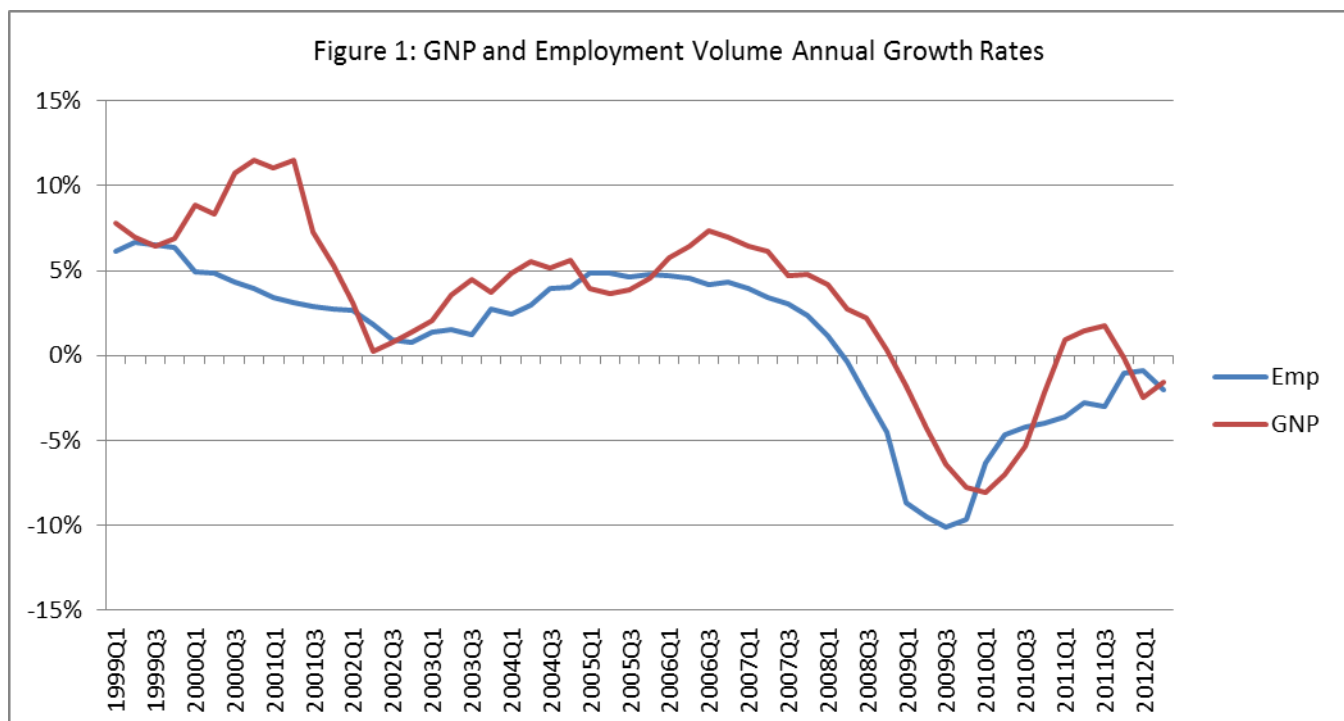
Macroeconomic Context

Four years on from the start of the recession, the economy, in common with much of Europe, continues to face major challenges. GDP is expected to grow by less than 1 per cent in 2012, largely driven by continued growth in net exports.

Employment Trends

The weakness of the economy has had a significant impact on the labour market. The numbers in employment in Ireland have fallen by over 330,000 since employment peaked at 2.16 million in Q4 2007. Employment continued to decline in early 2012, down 0.2% (-4,000) year-on-year in Q3 2012 to 1,841,000. While the numbers at work have continued to decline, the rate of decline was significantly slower than in the period up to mid-2011.

Economic output growth and employment (volume) growth have had similar paths both prior to and during the recession (Figure 1).

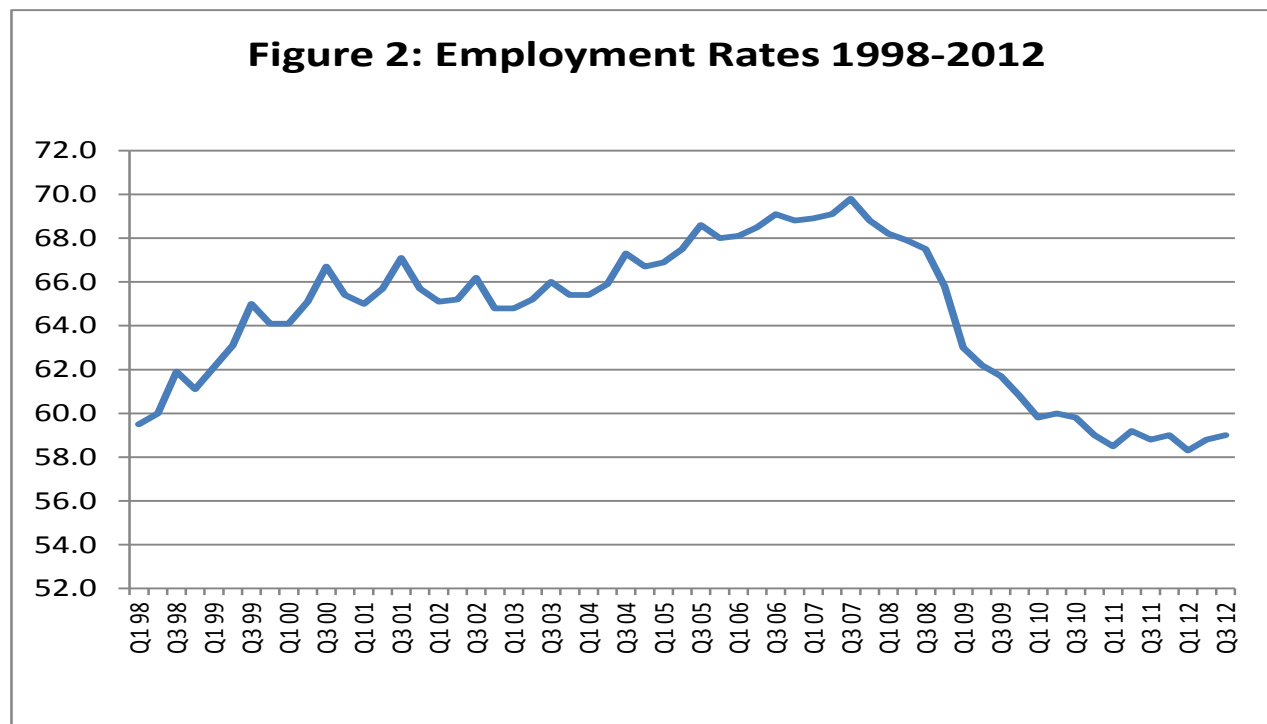


Source: CSO

The decline in employment over the most recent year was entirely in full-time employment (-16,000); part-time employment rose by 12,000 over the year. Since the start of the jobs downturn part-time employment

has increased by almost 40,000 while full-time employment has fallen by about 370,000. Involuntary part-timers – those who would prefer to work longer hours – have accounted for an increasing share of all part-time work; their numbers have risen by over 60,000 over the course of the downturn to 150,000.

The numbers at work are now at the same level as in 2003 while the employment rate⁴ is back to its 1998 level of 59% having reached 70% at the peak of the employment boom (Figure 2).



Source: CSO

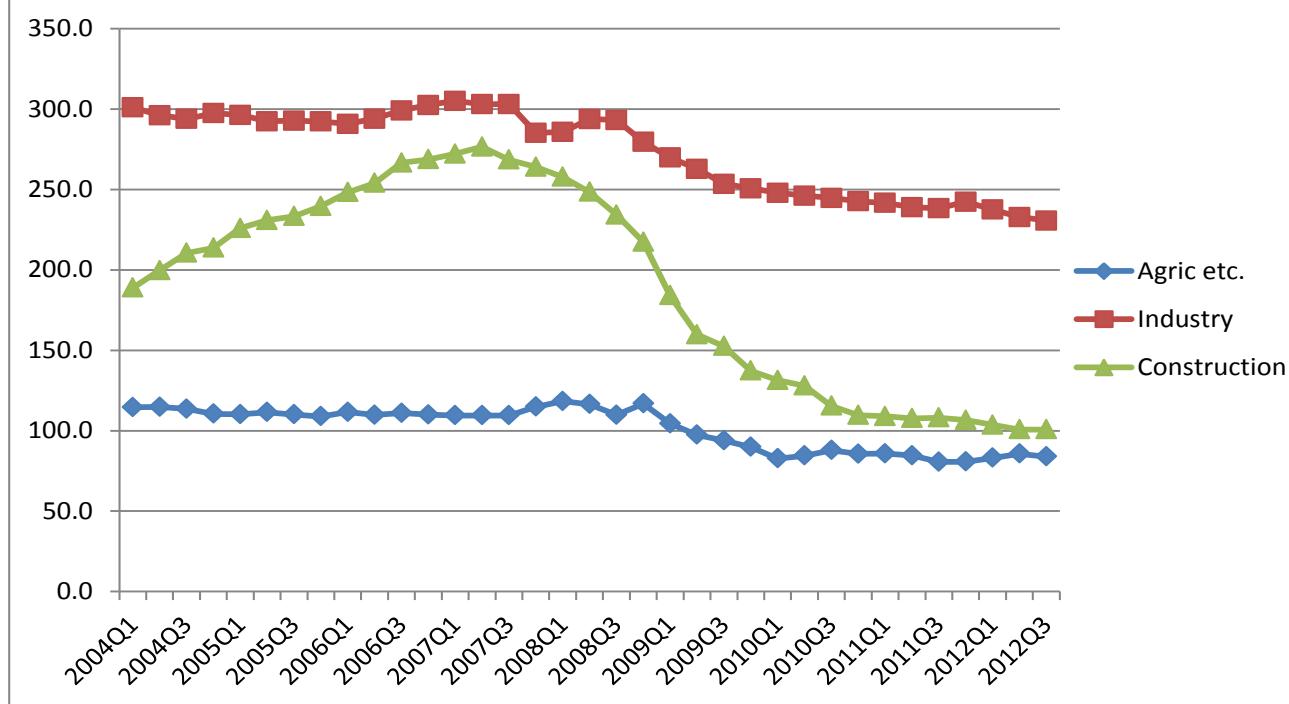
Sectoral Employment

Employment in the construction sector has fallen by over 170,000 since its peak in mid-2007 (Figure 3). More recently, the number of construction jobs has remained relatively unchanged at around 100,000 during 2012. This suggests that the precipitous decline in construction employment that occurred during the earlier years of recession may have finally come to an end.

Employment in the industry (primarily manufacturing) sector, having stabilised in 2011, appears to have weakened slightly in 2012, totalling 230,000 in Q3, down by 8,000 from Q3 2011. Overall, industrial employment has fallen by just over 70,000 in the last 4 years. In addition, agriculture, the smallest of the three goods-producing sectors, has also seen employment fall, down by 30,000 over the course of the recession.

⁴ The employment rate measures the percentage of the population aged 15-64 who are in employment.

Figure 3: Employment Trends in the Goods Producing Sectors

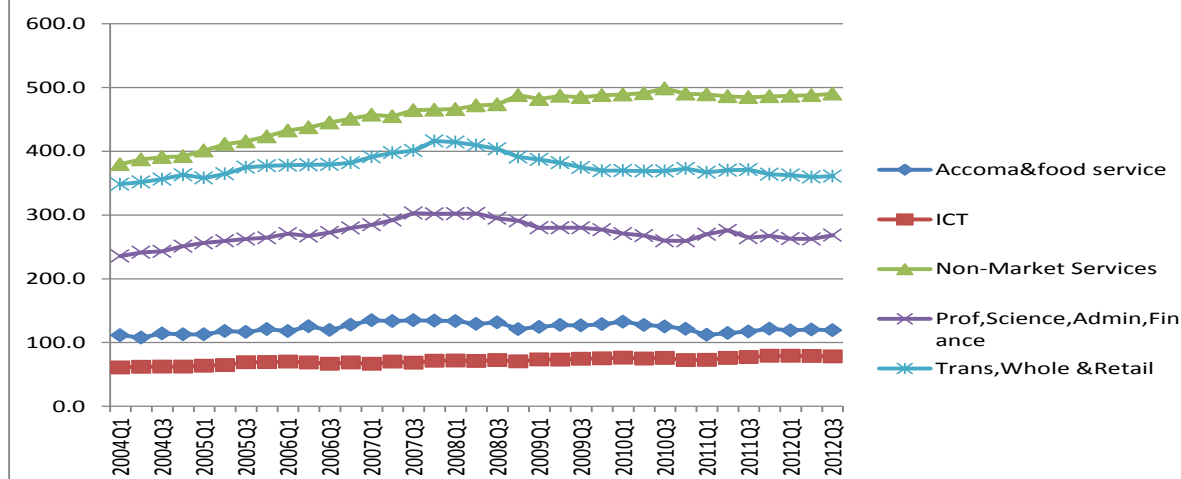


Source: CSO

Employment in the services sector has also fallen significantly during the recession (by over 130,000), but the rate of decline has been less than in other sectors.

As a result of the faster rate of job losses in the goods-producing sector, services employment now accounts for 3 out of 4 jobs in the Irish labour market (1.42 million). Within the services sector the biggest declines have been in the private sector, especially the wholesale and retail and hospitality sectors (Figure 4). By contrast, the ICT and non-market services sectors (health, education, public admin and defence) emerged relatively unscathed in terms of job losses up to the end of 2010; employment in the education sector and in public administration did, however, begin to decline from late 2010 onwards.

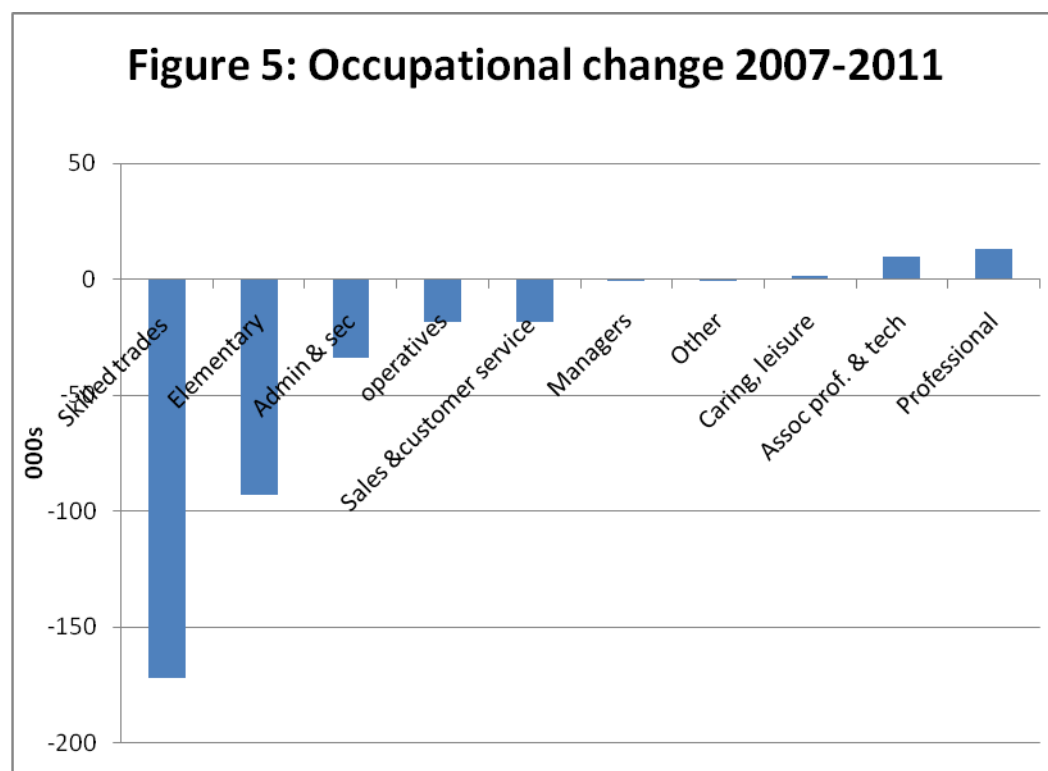
Figure 4: Employment Trends in the Service Sector



Source: CSO

Occupational Trends

In terms of occupations, the largest decrease during the period Q4 2007-Q4 2011 (Figure 5) was for craft workers (down 179,000 or 45%), which was to be expected given that a large number of such persons were employed in the construction sector.⁵ The sharp contraction in construction output would also partly explain the fall of over 30 per cent in the “elementary” occupational category which contains a sizeable number of unskilled workers. The smallest decline was for managers.⁶ There were small increases for professional workers, for associate professional and technical workers, and those working in caring/leisure occupations. However, more recently, there been a decline of 5.5% (19,000) in the professional category in the 12 months to 2011 Q4. This is most likely related to the fall in employment in the education sector.



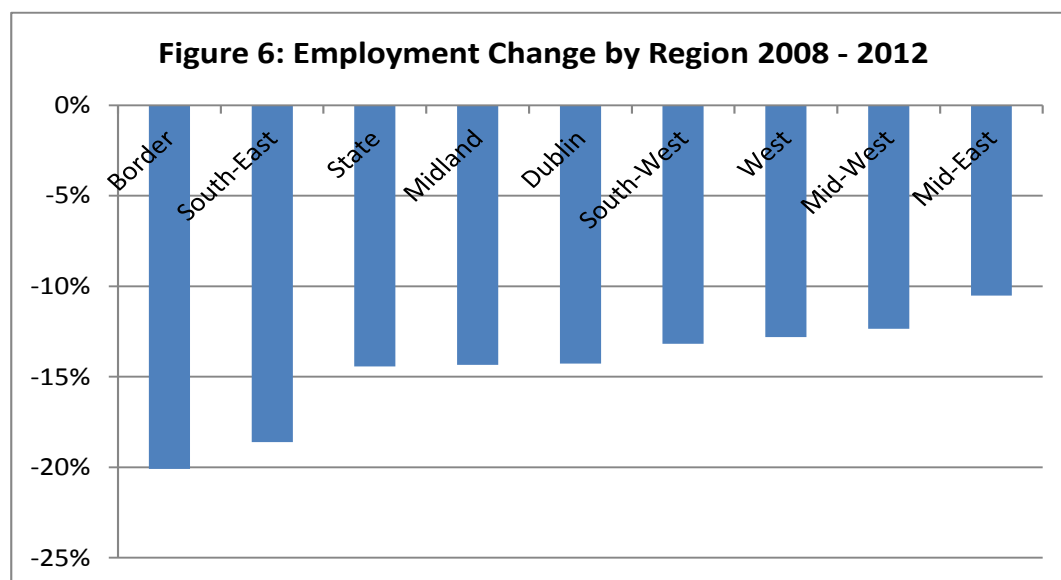
In terms of employment, men have fared considerably worse than women since the recession commenced. There were 250,000 less males in employment in Q3 of 2012 than at the height of the boom and 80,000 less females. Over sixty per cent of the fall in male employment was in construction and a further twenty per cent in manufacturing.

Employment of non-Irish nationals has fallen by over a fifth from 347,000 to 270,000 since the peak of the employment cycle. The magnitude of the fall was largely due the fact that non-Irish nationals have been predominately employed in the sectors most adversely affected by the jobs downturn, namely construction, wholesale and retail, hotel and restaurants and manufacturing. Most recently, employment of non-Irish nationals showed a small decrease (-8,000) in the year to Q3 2012.

⁵ A change in occupational classification in the employment data means it is not possible to extend this comparison into 2012 as yet.

⁶ Indeed, managers (other than farmers) showed a slight increase.

The regional impact of the jobs downturn over the period 2008 – 2012 can be seen from Figure 6 below. The Border region was the worst affected with the number of people with jobs down 20%. The South East fared the next worst (down 19%). The smallest decline was for people living in the Mid-East (down 11%) - many of whom would actually be commuting to work in Dublin. The Mid-East decline was significantly below the rate of the national decline of 14%. People living in Dublin itself experienced a decline of 14%, in line with the national decline.



Source: CSO

At the peak in 2007 there were 340,000 young people (aged under 25) in employment but their numbers had fallen to 156,000 by 2012. There are several reasons for this decline. Young people, typically, suffer disproportionately from job losses in recessions as they tend to have entered employment more recently, and are more likely to hold temporary contracts and to be employed in cyclically sensitive industries than older workers⁷. Equally, young people who might have entered employment in more favourable times have remained longer in education. Finally, the number of young adults in the population has fallen by over 110,000 over the last four years, largely due to cohort effects (relating back to smaller numbers of births in the early 1990s), but also reflecting changed migration flows.

Employment Flows

Even in a period when employment is falling, there are very large flows of people into as well as out of work. As shown in Figure 7, it is estimated that between 2002 and 2007 entries to employment from non-employment⁸ were running at between 250,000 to 300,000 per annum, while exits from employment were running at between 150,000 and 200,000. Entries fell to 170,000 in the year to mid-2009. At the same time,

⁷Scarpetta, S., Sonnet A. and Th. Manfredi (2010), *Rising Youth Unemployment during the Crisis: How to Prevent Negative Long-Term Consequences on a Generation?*, OECD SOCIAL, Employment and Migration Papers, No. 10

employment fell by over 180,000 in twelve months, implying that exits from employment had surged to an annual rate of almost 360,000.

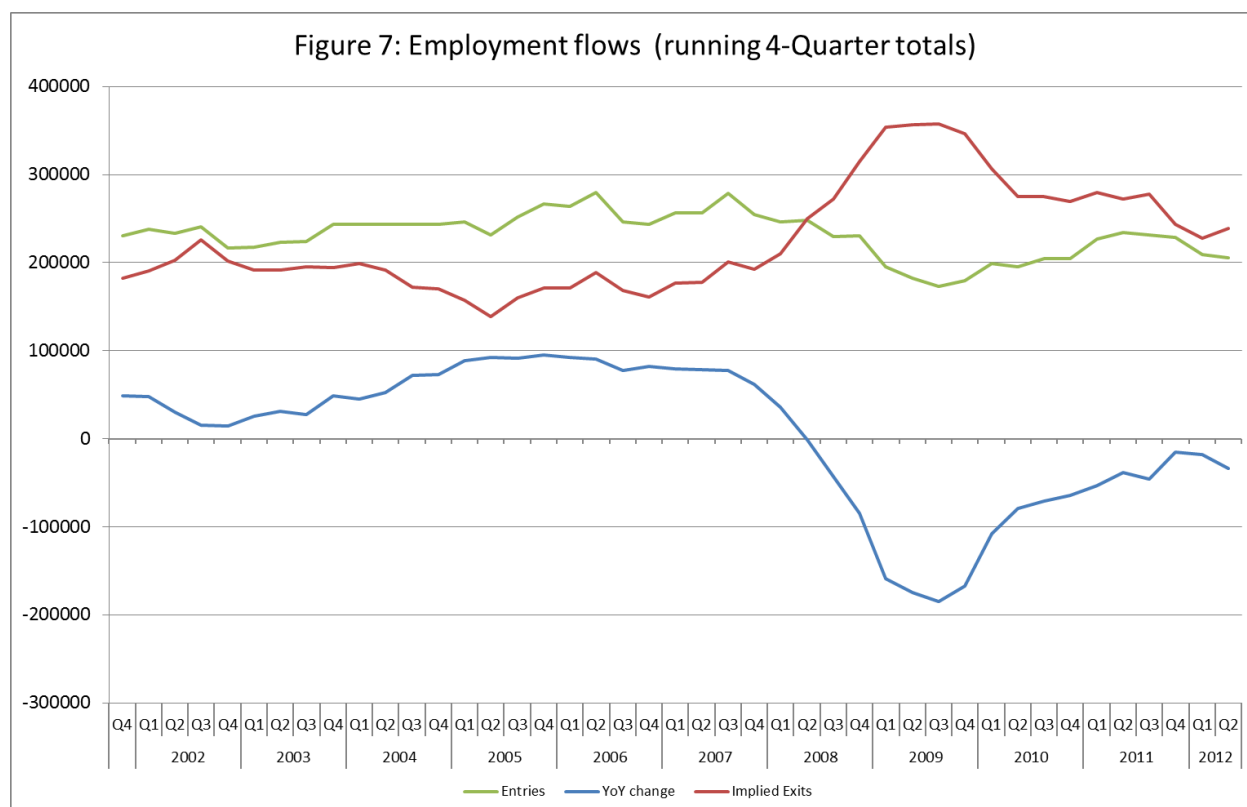


Figure 7 also shows that entries to employment recovered after 2009, reaching almost 230,000 in 2011 before weakening somewhat in early 2012; exits, though falling, remained high – at about 238,000 in the year to mid-2012, so that employment fell by 33,000 over the year.

The most recent occupational data for flows into employment are for the full year 2011, when entries to employment totalled 229,000. The occupational breakdown of these flows is shown in Table 1 below. The majority of movements during the year were into routine service jobs and to skilled and unskilled manual jobs. One interesting feature of the data is the number of people entering construction craft jobs, at almost 14,000. In addition, there were also 10,000 persons entering labouring jobs, a significant number of whom would have been employed in the construction sector.

⁸ These flows are estimates based on analysis of CSO QNHS micro-data. They include only flows of persons from non-employment (unemployed or not in the labour force) into jobs. Job-openings a) taken up by people moving between jobs and b) taken up directly by people immigrating to the country are therefore not included in the data. The data should be treated as tentative pending up-dating of the micro data to reflect recent upward revisions to the headline QNHS totals.

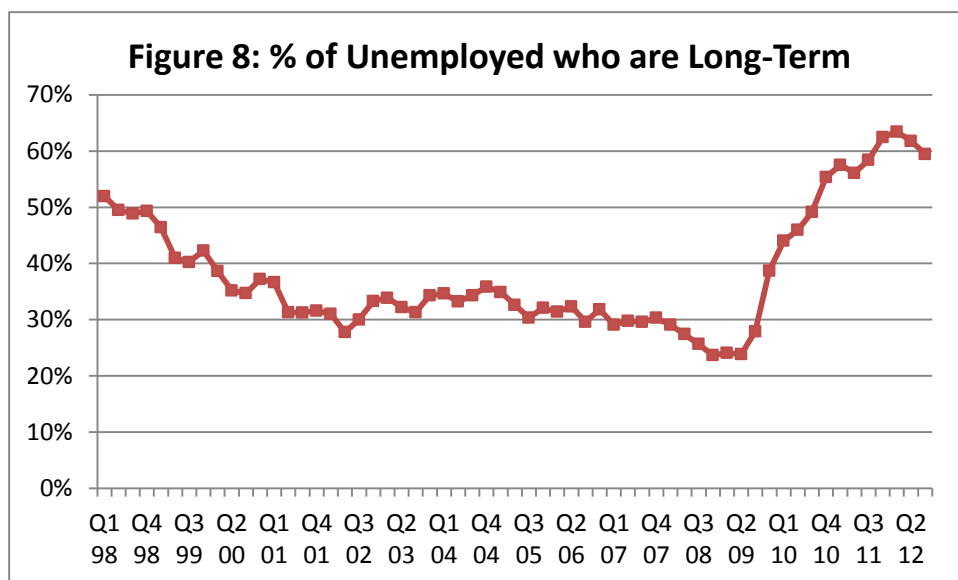
Table 1.1: Flows into Employment by Occupation -2011

Managers and Administrators	7,500	3%
Professional Occupations	23,000	10%
<i>Teachers</i>	8,700	4%
<i>Business/finance</i>	4,900	2%
<i>Engineering and science including ICT</i>	5,900	3%
Associate Professional and Technical Occupations	16,600	7%
<i>Cultural, artistic and sporting</i>	4,200	2%
<i>Nursing</i>	2,100	1%
<i>Engineering and science including ICT</i>	2,900	1%
Clerical and Secretarial Occupations	21,000	9%
Craft and Related Occupations	37,500	16%
<i>Construction crafts</i>	13,800	6%
<i>Mechanical crafts</i>	9,300	4%
<i>Production crafts</i>	14,400	6%
Personal and Protective Service Occupations	23,100	10%
Sales Occupations	34,600	15%
Plant and Machine Operatives	17,700	8%
Other (elementary) occupations	47,800	21%
<i>Manual</i>	10,400	5%
<i>Service</i>	37,400	16%
Total	228,600	100%

Unemployment

Unemployment has almost tripled since the second half of 2007 from 112,000 to just over 318,000 (seasonally adjusted) in Q3 2012. In the year to Q3 2012, the number of persons classified as long-term unemployed increased by 1,400 (+0.7%), bringing long-term unemployment to 193,000. As a result, long-term unemployment accounted for 59% of total unemployment in Q3 2012 compared with 30% in 2007. The rise in long-term unemployment has however, slowed significantly over the last year. Meanwhile, inflows into unemployment have slowed recently as reflected in a fall in short-term unemployment of 5,000 (-3%) to 129,000 between Q3 2011 and Q3 2012.

Over the course of the recession, the male unemployment rate has risen from 5% to 18%, while the corresponding rate for women also rose, albeit at a slower pace, from 4% to 11%.



Source: CSO

The younger groups had rates as high as 41% (ages 15–19) and 28% (ages 20–24) in the first nine months of 2012 compared to 14% for prime age workers (ages 25–54). This reflects both the rise in the numbers unemployed at the beginning of the recession, and the sharp fall in the size of the labour force in these younger age-groups.

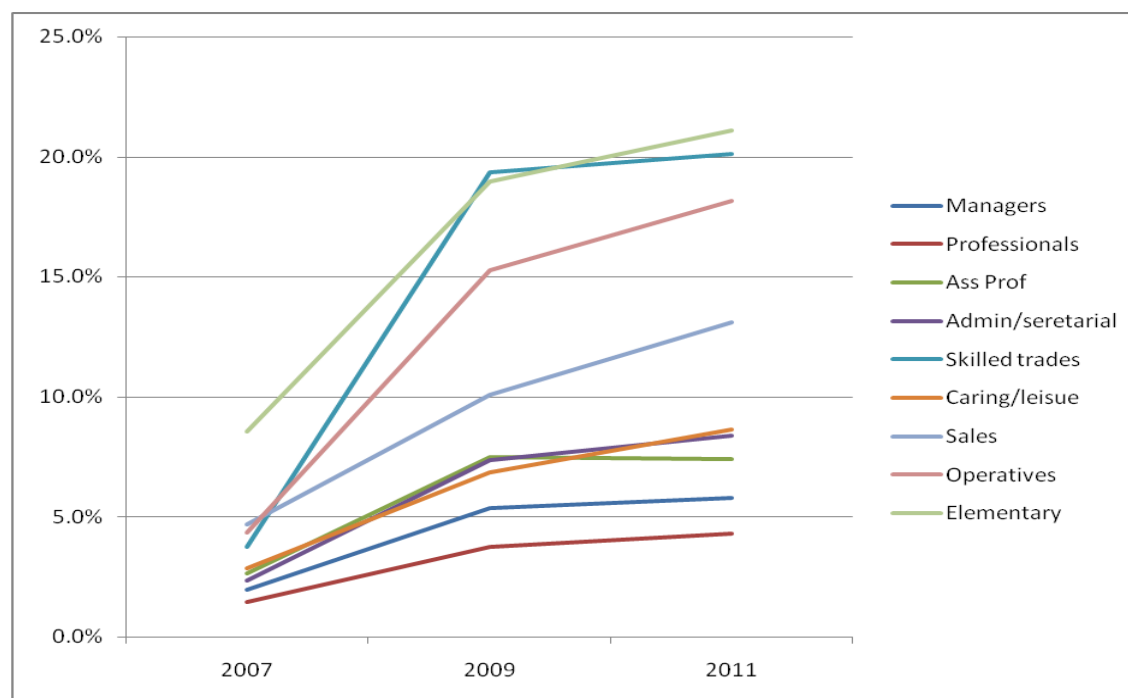
Despite their higher unemployment rates, it should be noted that the absolute number of young unemployed continues to be much less than that of unemployed prime-age workers because the latter are a much larger proportion of the workforce; for example, there were 71,000 young unemployed aged 15–24 on average in the first nine months of 2012 but 97,000 aged 25–34 and 127,000 aged 35–54. The absolute number of young unemployed has in fact been falling since it peaked in 2009.

Regional differences in unemployment rates have also widened over the course of the recession. In Q1 2008 some two percentage points separated the lowest rates in the Greater Dublin Area (Dublin and Mid-East Regions) from the two regions with the highest rates. By Q3 2012, the South-East had a rate of 19 per cent while the Greater Dublin Area had a rate of 13 per cent.

In quarter 4 2011, crafts persons accounted for the greatest share of total unemployment (22%). However, the share of crafts persons had declined significantly, from 28% in quarter 4 2009, as the absolute number of unemployed crafts persons fell over this period as overall unemployment continued to rise. Crafts persons and labourers were at the highest risk of unemployment during 2011, with unemployment rates in these occupations significantly exceeding those recorded for other occupations. In quarter 4 2011, professionals (4.3%), managers (5.8%) and associate professionals (7.4%) had the lowest unemployment rates. While the unemployment rate increased for all occupations between quarter 4 2007 and quarter 4 2011, the increase for high skilled occupations (managers, professionals and associate professionals) was not as pronounced as that for other occupations (Figure 9). The greatest rise was observed for crafts persons, labourers and operatives:

the unemployment rate for these occupations rose by between 13 and 16 percentage points over the period quarter 4 2007 to quarter 4 2011.⁹

Figure 9: Unemployment Trends by Broad Occupational Groups



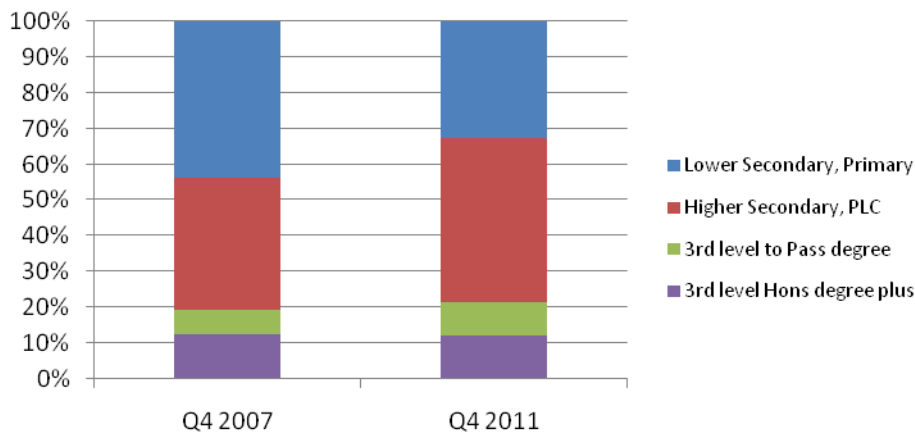
Source: Analysis by DSP based on CSO data

The unemployment total of nearly 302,000 in Q4 2011 included 150,000 persons with higher secondary level qualifications (including post-Leaving Certificate non-third level) and over 90,000 who had attained at most lower secondary standard. These two groups combined accounted for nearly 80 per cent of total unemployment (see Figure 10). Over the course of the downturn, the unemployment rate for those with the lowest qualifications has risen from 8% to 25%, while the rate for those with third level qualifications rose from 3% to 8%; the unemployment rate gap between the two groups thus widened by twelve percentage points. (Attention has been drawn elsewhere to the particularly sharp relative rise in unemployment among persons described in the QNHS as having “post-Leaving Certificate” qualifications. This is almost entirely the result of the increase in unemployment among craft workers, as the apprenticeship-based qualifications held by such workers are included in the “post-Leaving Certificate” category in the QNHS).

Although the absolute number of unemployed people with third level qualifications has risen rapidly, this has been from a small base, and reflects primarily the growth of the numbers with such qualifications in the labour force overall. At the end of 2011, persons qualified to third level accounted for 41% of the labour force, for 21% of the unemployed, and for about 16% of the long-term unemployed.

⁹ As a result of the re-classification of occupations referred to earlier, this time-series comparison cannot be extended into 2012 as yet. A similar restriction applies to longer-term comparisons of the educational attainment of the unemployed.

Figure 10: % share of unemployed by educational achievement

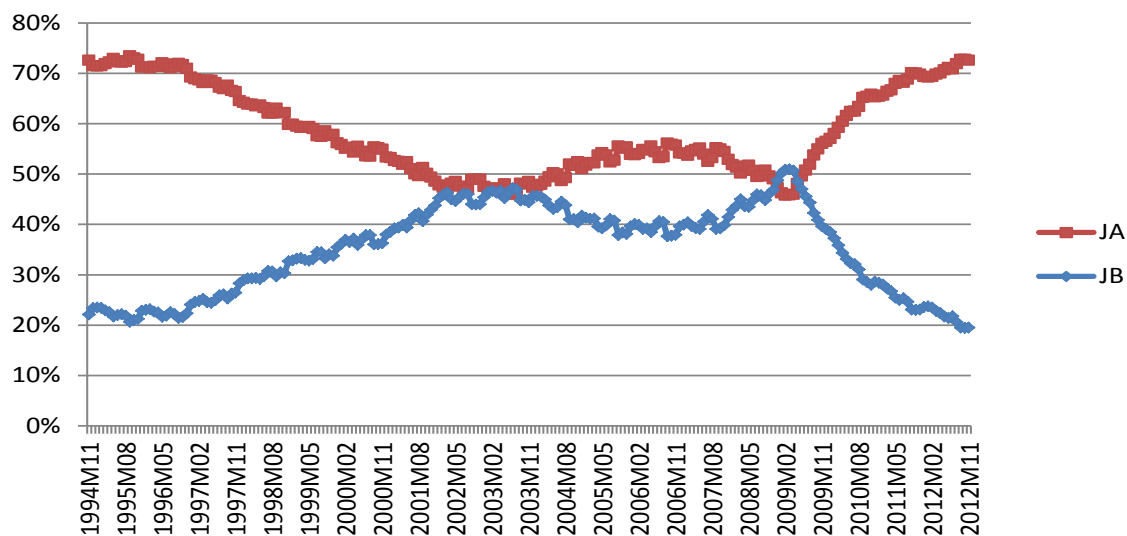


Source: CSO

Live Register

The seasonally adjusted Live Register total was 174,000 in December 2007 but 443,000 three years later, an increase of almost 270,000. While the overall number signing on the Live Register has fallen slightly, from a seasonally-adjusted peak of 449,000 in late 2011 to 432,000 in November 2012, there has been a noticeable change in both the duration on the Live Register and by extension the payment composition. Long-term claimants now account for 45% of the Live Register having increased from 150,000 to 187,000 between November 2010 and November 2012. This has fed into the number applying for the means-tested Jobseeker's Allowance (JA) with a resultant rise of 23,000 to 303,000 while Jobseeker's Benefit (JB) claims have actually fallen by 38,000 to 81,000 (Figure 11)

Figure 11: Live Register by Claim Type



Source: CSO

A number of the unemployed are not on the Live Register due to lack of entitlement to payments. This can arise either because they were previously self-employed, have a spouse earning, or for other reasons. It has been suggested that significant numbers of unemployed people who exhaust their entitlement to JB do not qualify for JA because the household means test disqualifies them on the basis of their spouses'/partners' earnings. This is of importance given the large increase in the number of two-income households that occurred during the boom years (NESC, 2011). Conversely, there are a significant number who are signing on the Live Register who are not unemployed including 87,000 part-time casual workers (there are a further 6,000 on short-time working arrangements who are not on the Live Register).

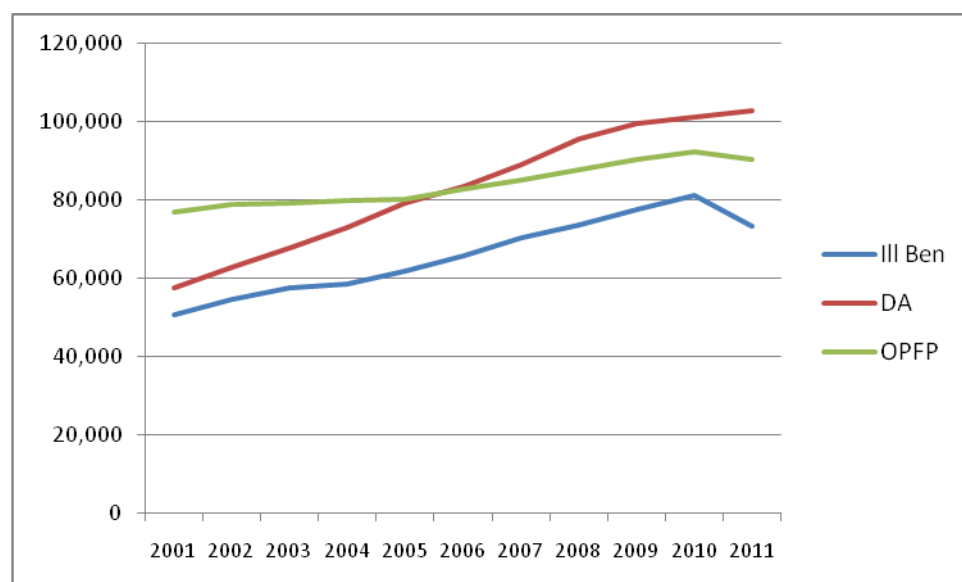
The share of Live Registrants accounted for by part-time workers has increased significantly during the recession rising from 11% in mid-2008 to 20% at present. This would seem to suggest that putting workers on part-time employment has been a significant adjustment strategy of employers during the recession. This is in line with the 60,000 increase in the number of part-time 'underemployed' over the course of the downturn, referred to earlier.

Community Employment /DA/OPFP – Persons in Receipt of Payments not on the Live Register

Over the period 2000-2010 the number of recipients of Disability Allowance (DA), Illness Benefit (IB) and One Parent Family Payment (OPFP) rose by 48% from 184,500 to 275,000, with the largest increase (+76%) occurring for DA (see Figure 12). This increase occurred despite general improvements in health and living conditions as well as strong demand for labour up until 2008. This increase may partly be explained by the easing of the means test for DA and tighter conditions on claiming unemployment benefits leading to migration from those benefits. The rise in the contingency based payments came at a time when the EAP process was introduced and extended and accords with a similar experience in the UK. However, transfer to other benefits is relatively rare among EAP closures –accounting for approximately 3% of closures in recent years. The rise in DA numbers may owe more therefore to general population growth and administrative changes.¹⁰ Since the recession began the increase in non-employment benefits has actually tapered off somewhat, and the numbers on IB and OPFP actually fell slightly in 2011.

¹⁰ Notably the extension of DA to people living in institutions, the “medicalisation” of the scheme and improved diagnosis

Figure 12: Inactive Payments 2000-2011



Source: DSP

The number on CE schemes has remained fairly stable at around 23,000 over the course of the recession. Persons coming from OPFP constitute approximately one sixth of all CE participants, while claimants of disability-related payments account for a further 14%. Finally, the number of participants on relevant FÁS training programmes (who might otherwise be on the Live Register) rose somewhat during the downturn – from an average level of 13,000 in 2007 to 14,700 in 2010 – but fell back below 14,000 on average in 2011.

Labour force

There were 2.17m persons in the labour force in Q3 2012 representing a decrease of 8,000 (0.4%) over the previous year.

A decline in the participation rate from 65% to 60% over the course of the recession has kept the unemployment count from rising even further.¹¹ Had the labour force participation rate remained unchanged at its 2007 level the unemployment rate would have been closer to 20% in mid-2012. The participation rate has fallen principally because of the number of younger people remaining on in or returning to education. Another explanation for the fall in participation in recent years is the increase in the number of discouraged workers who are no longer in the labour force; this trend has particularly affected men aged 55-64 years.

For younger people the decline in participation has been compounded by the fall in the population in this group, so that the number of young people in the labour force has fallen by 140,000 over the last four years, and they now make up just over 10% of the labour force.

¹¹ This is the participation rate for all persons aged 15 and over. For those at ages 15-64 the rate fell from 73% to 69%

Net outward migration flows have also contributed to the reduction in the labour force over the course of the recession. Between April 2009 and April 2012 the CSO estimate that there was net outward migration of approximately 90,000 for the 15+ age group. Net outward migration for Irish nationals was approximately 59,000 for this period (this is a total figure as the CSO does not publish migration flows by nationality by age). This would suggest that more than half of the net outward migration for persons of working age over this period was accounted for by Irish nationals emigrating. Net outward migration for Irish nationals was particularly pronounced in the year to April 2012 (26,000).

Outlook

The Eurozone and domestic fiscal crises continue to impact on both domestic and export markets. Domestic demand remains weak while the export sector is finding conditions increasing difficult (notwithstanding recent improvements in both productivity and cost-competitiveness – the latter partly arising from the depreciation of the Euro). Current forecasts all point to, at best, modest economic growth over the short-to-medium term. GDP is expected to grow by 0.9 per cent in 2012, and by 1.5% in 2013. Expectations of slightly faster growth in 2013 are predicated on some recovery in external demand; a high degree of uncertainty attaches to this forecast.

During the ‘boom-to-bust’ period, the fall in output translated very quickly into falls in employment – much more immediately in Ireland than in many other countries. This is indicative of the particular impact of the downturn on labour-intensive sectors, and of the flexibility of the Irish labour market. If, as seems to be the case, at least the early stage of recovery is concentrated in more capital-intensive sectors, it may be some time before we see any economic upturn translated into a corresponding increase in employment.

Hence the outlook for the labour market is even less encouraging than for the economy as a whole. While the employment decline is expected to come to an end in 2013, no significant net employment growth is envisaged over the short term; looking slightly further ahead, employment is expected to increase by just over 2% (40,000) between 2013 and 2015.

Up until now, the impact of the jobs downturn on unemployment has been moderated by a combination of emigration and reduced participation, and this trend should continue, although the scope for further declines in participation is likely to be less than it was. Even so, no significant fall in the unemployment rate is foreseen over a 2-3 year time horizon. Based on the anticipated level of employment growth, the unemployment rate is expected fall slightly, to about 13.0% in 2015.¹² Moreover, current measured

¹² The employment and unemployment forecasts for 2015 are from *Medium-Term Fiscal Statement*, Dept. of Finance, November 2012

unemployment is likely to understate the numbers who will seek employment when the labour market recovers.

The expected trend in the unemployment rate would see the actual numbers unemployed fall from an average of about 310,000 in 2012 to 270,000 in 2015. Although the share of all unemployment that is long term may rise further from its current level of approximately 60%, the numbers of long term unemployed should fall slightly, from about 185,000 in 2012 towards 170,000 on average in 2015.

Based on recent relationships between unemployment and the Live Register, these trends would see an average Live Register figure of 380,000 in 2015 (as compared with a likely out-turn of 436,000 for 2012). The numbers on the Live Register for a year or more are likely to average about 180,000 in 2015.

Even in these circumstances, it is worth bearing in mind that employment opportunities for jobseekers will arise as a result of job turnover as firms look to replace workers who leave due to retirement, maternity leave etc. Indeed, the flow of new job opportunities has already risen significantly from the depressed level seen in 2009 and, as employment stabilises and starts to increase, it is likely to rise further, from the level of 230,000 in 2011 towards the annual level of 250,000+ seen in the earlier part of the last decade.

The occupational pattern of these emerging opportunities will reflect sectoral developments in employment as the economy moves back to a “normal” structure after the boom-bust cycle of recent years. One characterisation of such a normal structure is that given in the most recent ESRI medium term forecasts for 2015 (although the date by which this restored medium-term equilibrium can expect to be reached is now likely to be some years later than that). The implications of this sectoral structure for occupational change were explored in a FÁS/ESRI manpower forecasting study¹³.

Because movement back towards “normality” will involve an increased role for domestic demand and for construction, this will imply that some of the largest increases in employment in the recovery are likely to come in the building, clerical and sales occupations that have been most affected by the recession. This should reinforce the predominance of these types of occupation in inflows to employment, as shown in Table 1 earlier, for 2011.

The anticipated growth in employment in some occupations, particularly those related to construction, will of course be from a relatively depressed base. Given the numbers looking for work, competition for these job opportunities will continue to be intense.

¹³ J. Behan and C. Shally, *Occupational Employment Forecasts 2015*, February 2010.

Conclusion

After several years of decline, employment appears to be stabilising, and is now expected to grow moderately over the next few years. Unemployment has already stabilised, albeit at a high level and due in part to a reduction in the labour force arising from migration and falling participation. Current forecasts are for unemployment to fall somewhat over the next few years, but to remain relatively high by recent historical standards. Long-term unemployment also seems likely to remain stubbornly high.

Even in the downturn, there has been a continuing flow of job opportunities arising in the economy. This flow has already recovered substantially from the depressed levels seen in 2009, and can be expected to increase further as overall employment growth resumes. A large proportion of the opportunities that arise each year are in the kinds of jobs for which most of the unemployed are reasonably qualified – routine service jobs and skilled and unskilled manual jobs.

Ensuring that as many as possible of these jobs are taken up by unemployed people – particularly those from the Live Register – is a major overarching objective of the Department's (and broader Government's) activation policies. The development of these policies is reviewed in Chapter 2.

Chapter 2: Activation in the Department of Social Protection

Introduction

This chapter aims to outline the past and present activation policies pursued by the Department of Social Protection (DSP) and examine future plans in this area. The national employment action plan (NEAP) introduced in September 1998 has been the primary strategy pursued by the Department in recent years. This strategy was preventative in nature and referred unemployed people to FÁS on reaching specified duration thresholds on the live register. The plan provided for a systematic engagement with FÁS employment services for guidance and job-search advice, and for possible referral to a range of training, employment scheme and education opportunities.

National Employment Action Plan

Under NEAP all persons between the ages of 18 and 65 years who are approaching 3 months on the Live Register¹⁴ are identified by the DSP and referred to Employment Services¹⁵ for interview with the aim of assisting them to enter/re-enter the labour market. The process is a key element in addressing the progression needs of those on the Live Register.

Up to late 2010, all customers were referred on an individual basis by DSP to FÁS for one-to-one interviews. Under a new initiative, aimed at increasing the capacity and the efficiency of the process, some jobseekers are now being referred to group engagement sessions. At the engagement presentations are given that provide relevant information and advice and arrange follow-on individual appointments where appropriate. In 2012, approximately half of all referrals were made initially to group engagement.

Analysis of NEAP activity

Table 2.1 outlines the amount of people referred and interviewed under the NEAP from 2005 to 2011.¹⁶

¹⁴ This duration threshold has changed over time – see Appendix 2.1 to this chapter

¹⁵ Until 31st December 2011, the employment service formed part of FÁS; from January 2012 the service was integrated into the Department of Social Protection

¹⁶ This table is taken from year-end NEAP reports, and relates only to persons referred *for the first time* in the year concerned and to their interviewed/non-interviewed status as at January of the following year. It therefore understates the overall volume of activity involved. In 2011, for example, when repeat referrals are taken into account, the total number of referrals was just over 121,000 and the number of initial interviews was 80,000.

Table 2.1 – Referrals and interviews NEAP 2005- 2011

Year	2005	2006	2007	2008	2009	2010	2011
Numbers referred under NEAP	40,718	37,959	51,452	60,260	86,782	87,011	81,898
% increase/decrease	-22%	-7%	26%	15%	31%	neg.	-6%
Numbers Interviewed	28,714	25,186	32,124	40,933	65,600	65,633	65446
% increase/decrease	-18%	-12%	27%	27%	60%	neg.	neg.
Number interviewed as % of referrals	71%	66%	62%	68%	76%	75%	80%

The number of persons referred under the NEAP, after falling initially between 2005 and 2006, has risen steadily since 2007 with a 31% increase in 2009. The initial increase in 2007 reflected the reduction in the threshold for referral from 6 months to 3 months as from December 2006; the increase in 2009 over 2008 reflected the sharp deterioration in labour market conditions in that year.

There are various reasons why people referred do not avail of the services on offer. They may be able to access employment or other opportunities by their own efforts or by using self-service facilities available in employment service offices. Some of those selected for referral may have already have signed off or be about to sign off by the time they get the notification of referral. Some may not be able to participate because of deeper problems, for example basic literacy or numeracy, or because they lack the confidence to accept an offer.

In fact, the numbers interviewed follow a broadly similar, but not identical pattern to the trend in numbers referred. The number interviewed as a percentage of referral has fluctuated over the time period ranging from a low of 62% to a high of 79%. These variations have been affected by changes in the referral thresholds as well as by labour market conditions. For example, in 2007, with referral taking place at three months (rather than at 6 months as in 2006) increased failure to attend for interview in part reflected the higher exit rates typical for people earlier in the unemployment spell. By contrast, the sharp increase in attendance through 2008 and 2009 reflected the deterioration in labour market conditions and a resulting decline in exit rates at or around the three month referral threshold.

If people do not attend for interview, or subsequently decline offers of training or other assistance, their cases are referred back to the DSP local office for review to determine if they continue to satisfy the conditions for receipt of unemployment payments. There is a statutory obligation on recipients of jobseeker's payments to be available for and genuinely seeking full-time employment. Persons, who, for valid reasons, are unable to avail of the opportunities for placement in employment, training or education

provided, continue to receive payment. In such cases, the Department can assist them in identifying barriers to participation and exploring alternative progression routes.

Further analysis of the NEAP process is outlined in table 2.2. The percentage of referrals exiting the Live Register has varied somewhat over the time period. Initially, the percentage increased in 2007 -- probably reflecting the reduction in the threshold for referral from 6 months to 3 months as from December 2006. The exit rate fell sharply in 2008 – reflecting the significant increase in inflows to unemployment in the second half of that year as labour market conditions deteriorated.

Table 2.2 – Analysis of NEAP referrals

Year	2005	2006	2007	2008	2009	2010	2011
No.'s Referred	40718	37959	51452	60260	86782	87011	81898
Total exits from LR	24282	22280	32359	33919	53638	55193	53334
Total exits as % of referrals	60%	59%	63%	56%	62%	63%	65%
Exits to :							
Employment			27%	21%	14%	16%	16%
FÁS/Education			8%	8%	13%	14%	14%
Other¹⁷			19%	18%	24%	20%	18%
Unknown			10%	9%	11%	13%	16%

Finally, although the exit rate rose somewhat through 2009 and 2010, this primarily reflected increased provision of education and training opportunities rather than increased flows into employment.

Performance of NEAP

The most recent evaluation of the impact of NEAP was carried out by the ESRI, based on data for 2006-2008, and the results have been reported in two separate publications.¹⁸

The research results indicate that, relative to a control group with no intervention, unemployed individuals that were exposed to the interview letter and participated in job search assistance (JSA) were 16 per cent less likely to have exited to employment prior to 12 months. It was found that the initial referral letter itself had the standard effect of accelerating exits from the Live Register; the negative impact of intervention effectively doubled when this influence of the referral letter was removed from the data. The authors conclude that the research “highlights the need for effective monitoring and sanctions as integral components of labour market activation programmes”.

¹⁷ The 18% figure for “other” in 2011 is made up of “not entitled” (8%), “did not sign” (5%), “moved to other benefits” (2%) and “gone abroad” (2%).

¹⁸ *Activation in Ireland: An Evaluation of the National Employment Action Plan*, ESRI Research Series 20, May 2011, and *Carrots without Sticks: The Impacts of Job Search Assistance in a Regime with Minimal Monitoring and Sanctions*, ESRI Working Paper 409, September 2011.

These results related to persons who, while included in the referral process, had not gone on to participate in FÁS training. Where people had progressed to training, this was found to have positive effects on employment outcomes. These varied by training type, with short job-search focussed courses, and longer high-skill courses having the greatest impact; shorter courses focused on lower-skill occupations or imparting generic skills were found to have lower or insignificant effects. Overall, the positive impact of training for those involved was found not to out-weigh the negative effect of the initial referral process itself; thus outcomes for the group undergoing training were broadly in line with those for the control group.

Other Activation Initiatives

The National Development Plan (NDP) 2007 -2013 provided for a Social and Economic Participation Programme involving an investment of €50m in a new initiative by the DSP.

The main element of the activation sub-programme was to expand the Department's facilitator service, to cover all parts of the State, with each facilitator having a defined work programme. Facilitators were asked to provide additional, more intensive assistance, for those that needed it including people who had been identified by FÁS Employment Services as needing further support. They worked with social welfare recipients to identify appropriate training or development programmes which enhanced the skills that the individual had, and ultimately improved their employment chances, as well as helping them to continue to develop personally. The facilitator programme was designed to be a targeted approach, involving active case management and the development of an individualised personal progression plan.

The programme provided for under the NDP commenced in September 2008, with provision for the appointment of an additional thirty facilitators, giving a total of 74. As part of the roll out of Intreo the role of facilitators has been revised and they are now classified as case officers. Currently there are 59 such officers working at local level nationwide of which 45 are dealing with targeted activation caseload. Further positions are vacant as a result of various reasons including retirements.

The original aims of the Activation Programme included -

- Facilitate progression regardless of the circumstances that led a person to require income maintenance
- Active case management focused on progression potential
- Structured referral, regardless of contingency, to include people with a disability, lone parents, unemployed and adult dependants

Because of the large increases in the Live Register since 2008, Government further decided that support, across all labour market measures, should be prioritised for four cohorts of the unemployed. These are –

- people with low skills or education levels
- people who are on the Live Register for long periods
- people who are under 35 years of age
- people who were previously employed in sectors that have been most affected by restructuring and where recovery to near previous levels is not in prospect in the short to medium term (mainly construction, manufacturing and wholesale/retail trade)

From September 2008 to December 2011 case officers dealt with over 64,300 cases under the activation programme. These cases were selected from the Department's customer database by the Employment Support section in Carrick-on-Shannon. Currently, approximately 40 cases are issued from Carrick-on-Shannon monthly to each case officer.

Table 2.3 – Case Officer cases under Activation Programme

Year	Number of cases issued	Number of officers available
2008	3,187	40
2009	20,405	62
2010	19,053	66
2011	20,756	64

Systematic reporting of outcomes of Activation cases has not been present since the start of this process in 2008 and it was hoped that this would be remedied by the roll-out of the Case Management system that was commenced in late 2009. This, however, has been delayed and is only currently operational in Dublin North and South. As cases continue to be sent out a 'manual', Access-based, system has been established since these delays were signalled that can track cases that were sent against ISTS outcomes.

Current developments in Activation policy

Under changes in ministerial responsibility announced in 2010, the Rural Social Scheme (RSS) and community services programmes have transferred to DSP from the former Department of Community, Rural and Gaeltacht Affairs. The transfer of both the Employment and Community Services divisions of FÁS to DSP has been completed in 2012.

The transfer of functions is intended to facilitate the delivery of a more targeted, effective and streamlined response to the needs of the unemployed. Bringing together, under the aegis of one department, the employment services of FÁS, the expertise of its Placement Officers and the income support services of DSP as well as the Community Employment Schemes, Job Initiative Scheme, Community Services Programme and the RSS should offer significant opportunities to generate synergies, improve efficiency

and, ultimately, improve service delivery to those availing of those services. In particular, a more integrated and focussed case management approach is being developed, facilitating a more coherent treatment of individual unemployed claimants in terms of income support, job search guidance and assistance, and referral and access to training and employment support programmes.

An initial step has been taken through the introduction of profiling of newly-unemployed claimants to identify those at risk of becoming long-term unemployed at an early stage.¹⁹ This will form the basis for early intervention of this group for job-search assistance and possible programme referral (as opposed to the time-based approach to selection for referral under NEAP). Profiling data have been collected on all new claimants in a number of local offices since mid 2011, and this has been rolled out to all offices by September 2012.

A new IT system has been designed to replace the existing NEAP selection and referral system. It includes the facility to schedule individual or group appointments with Employment Services, the Local Employment Service etc, and is more flexible than the previous system. Trials of the system began in Dún Laoghaire Social Welfare Local Office at the end of February 2011. The system is now live in nine offices and is due to be deployed to a further six Intreo offices by end of 2012.

As noted earlier, initial referral to group engagement sessions has been introduced to increase the capacity and efficiency of the process. An evaluation of the Group Engagement process was completed in June 2011. Findings indicate that Group Engagement (GE) has resulted in:

- A greater level of awareness among customers of their obligations as jobseekers and of the supports available to them.
- The maximisation of interview capacity with over 90% attendance rates at the follow-on one-to-one interview with the Employment Services Officer, resulting in a much more efficient use of the 'slots' available for referral under the NEAP.
- Customers attending those one-to-one interviews were better informed and the interviews were more focused on their needs.
- A more integrated approach to jobseeking customers on the part of the DSP and FÁS.
- The potential for referral of increased numbers of jobseekers in the initial period of unemployment under the NEAP

Referral to group engagement is being rolled out to cover 95% of all appropriate DSP offices during 2012.

¹⁹ Based on a statistical profiling model for Ireland developed by the ESRI and outlined in *National Profiling of the Unemployed in Ireland*, ESRI Research Series No. 10, September 2009. The model uses a range of weighted characteristics such as education, employment experience etc, to generate an estimate (Probability of Exit from the Live Register – PEX) of the likelihood of a newly unemployed person exiting from unemployment within one year. A Person with a low PEX is identified as being more likely to remain unemployed for long periods.

Reduced rates were provided for in the Social Welfare Act 2010, to increase the range of sanctions available to ensure compliance with the activation process, and encourage jobseekers to engage in actions aimed at improving their prospects of entry into sustainable employment on a long-term basis.

The reduced rates, which apply to personal jobseeker's payments, may be implemented where a jobseeker:

- i) refuses an appropriate offer of training by an officer of DSP;
- ii) refuses, or declines to avail of, an offer of training from FÁS;
- iii) declines an intervention under the NEAP-Intreo;
- iv) does not attend NEAP-Intreo meetings with a case officer
- v) drops out of the NEAP-Intreo process.

Non-attendees are being systematically followed up by DSP which has resulted in some signing off the Live Register, some claims being disallowed and reduced rates of payment being imposed where there is non-attendance at a second intervention (be it GE, individual meeting, training course etc).

Future Activation Policy in the National Employment and Entitlements Service

The purpose of activation policy will be to ensure the engagement of the Department of Social Protection with customers of working age, who are in receipt of specified social welfare payments/benefits in order to support them and their families in progressing into employment and/or other appropriate progression.

In accepting payment of benefit, assistance and/or support, the customer shall agree to meet the relevant job-search and availability for work conditions, and avail him or herself of the appropriate support measures offered during the course of the activation process, including employment, education, training and/or placement in employment schemes. The activation process complements the control process of the Department of Social Protection. The payment of benefit will be linked to, and dependent upon, participation in the activation process.

A detailed project plan for the establishment of the National Employment and Entitlements Service (NEES) was approved by Government in July 2011. The name was subsequently changed to Intreo - The new integrated employment and support service in October 2012.

Intreo is a new service model for the DSP. It will integrate the payment of benefits with the provision of employment support services and will develop a case management approach to client service.

Key characteristics of the new service are:

1. Integrated Services/One-stop-shop.
2. Case Management/Client Profiling

3. Rights and Responsibilities
4. Engagement with Employers.
5. Strong links with education/training sector.
6. Control of Fraud

1: Integrated Services/One-stop-shop.

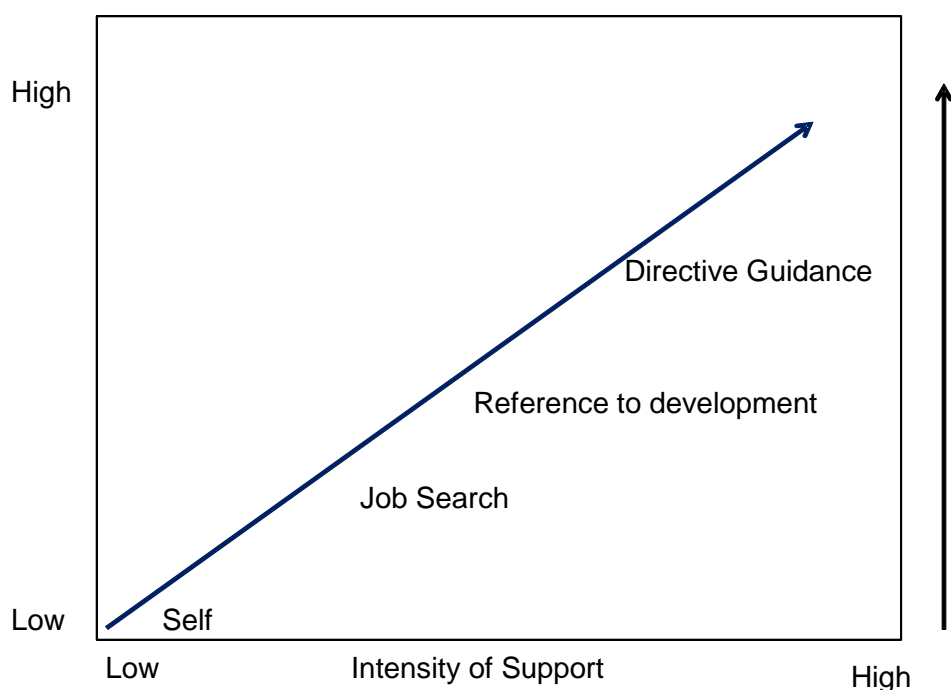
Service integration is designed to streamline processes for clients. Full transfer of FÁS and CWS staff into DSP was completed on 1 January 2012. To date, four fully integrated offices [Arklow, Parnell, Sligo and Tallaght] are in place with a further 6 due by end-2012. 2013 implementation and rollout planning is well underway. .

2: Case Management/Client Profiling

Under the ‘case management’ model all relevant client information (education, training, skills, employment experience etc.) will be compiled to create a profile of each individual. This profile will inform the development of a personalised ‘pathways to employment’ progression plan that becomes the focus of the engagement between the client and Intreo

Case management systems already in use in DSP are informing the development of an integrated system for Intreo which will bring together the work of the various elements of the service (e.g. employment support, payments, control, etc) and put the customer at the centre of all activities.

The approach to activation will be tailored based on the results of the client profiling system. The diagram below sets out how the intensity of support will vary depending on the claimant’s likelihood of remaining unemployed.



An activation model has been developed that comprises the following elements:

Case officers [former FÁS Employment Services Officers, former DSP Jobs Facilitators and, in some offices, a Community Welfare Officer] operate in a team-based structure along with a support team.

These are responsible for;

- Scheduling of Group Engagement sessions based on the client's profile;
- Follow-on guidance interview [one-to-one] with a case officer where the personal progression plan is agreed and signed up to by the client – the timing of this interview depends on the client's Probability of Exit (PEX);
- Ongoing appointments/activation reviews are systematically in place over a 12-month period with a case officer and/or the support team to monitor progression towards employment, training and education – again, the frequency of these appointments will depend on the client's profile;
- After 12 months, various levels of activation follow-up by the support team [depending on the client's profile and based on the agreed personal progression plan]; and
- Assessment of the level of engagement by the client and, where deemed to be unacceptable, recourse to a penalty rate of payment or suspension of payment.

3: Rights and Responsibilities

As part of the Intreo approach clients will be expected to accept that along with their right to a payment, comes a responsibility to seek to overcome their dependency on this payment. Failure to engage in the progression plan will lead to a reduction, and potentially a withdrawal of payments. Legislative authority to reduce the value of payments in the case of clients who do not participate in the activation process was enacted in the Social Welfare (Misc Provisions) Act 2010. A Record of Mutual Commitments is also being put in place that emphasises this dual approach and reinforces the concept of rights and responsibilities.

4: Engagement with Employers.

As part of Intreo DSP will work to establish and manage strong, commercially based, relations with employers and private sector recruitment agencies. In doing this it will seek to build on existing examples of close co-operation,

5: Strong links with education/training sector.

The service will develop and establish strong links with the further education sector through the new further education and skills authority - SOLAS. At a corporate level a formal service level framework agreement, including an operating protocol, will be concluded before the end of the year providing for the Intreo to have input into the identification and selection of courses to be offered and setting out the terms and conditions under which its clients can access these courses.

6: Control of Fraud

The minimisation of fraud and error in the social welfare system will continue to be a key focus of the DSP and will be an integral part of the Intreo approach. The client interviews that form part of the case management approach will provide an opportunity to assess the client for risk of fraud. This will complement the on-going work of inspection staff and the Special Investigation Unit.

Pathways to Work

The Government's activation strategy has been restated most recently in *Pathways to Work: Government Policy Statement on Labour Market Activation*. The overarching objective of the strategy is "to maximise the number of ... new jobs which will be filled by the unemployed". "*Pathways*" identifies five major "strands" or processes that will underpin the strategy:-

More regular and on-going engagement with the unemployed

The aim is that every individual on the Live Register will have deeper and more regular engagement with Intreo according to their needs, and that they will be offered job search assistance with appropriate education, training or work experience opportunity to increase their employability and keep them close to the labour market.

Greater targeting of activation places and opportunities

The Government will invest in a high level of education, training, job placement and work experience places, with a large percentage of these focused on the unemployed. It is intended to target these resources to maximise the efficiency and effectiveness of the programmes with a view to delivering a greater focus on keeping the unemployed close to the labour market.

Incentivising the take-up of opportunities

The Government will ensure that the social protection system incentivises rather than blocks the return to work for unemployed people, including those with families, through ongoing reform of the system.

Incentivising employers to provide more jobs for people who are unemployed

The Government has introduced a range of reforms and incentives to support protect and create jobs, including through the Jobs Initiative in May 2011 and the ‘Action Plan for Jobs’ in February 2012. A particular priority is to ensure that employment opportunities go to people currently on the Live Register, interalia through reform of the Employer Job (PRSI) Incentive Scheme. It is also intended to develop and improve existing employer services to encourage greater use of these services by employers and to maximise the flow-through from public sector training and support programmes to full time employment.

Reforming institutions to deliver better services to the unemployed

Intreo as described earlier represents the new service model for DSP. The Department is also examining the potential of contracting with the private sector as a means of complementing its own resources where required to deliver service and build up/access new skills and competencies in areas such as case management of clients, employer engagement and job-matching/placement.

Conclusion

Activation policy has evolved over time, and is now clearly focused on maximising the share of new employment opportunities that are taken up by unemployed people. Implementation of the policy is through a complex of processes, broadly comprising:

- a) design and control activities in relation to jobseeker’s payments (e.g. earnings disregards that permit recipients to engage in some paid employment;)
- b) deeper engagement with claimants in relation to job-search and referral to training and development (including the introduction of penalty rates for persons who do not engage),
- c) provision and targeting of employment and training scheme places, and
- d) more active involvement with employers to maximise the flow-through of job-seeker clients to full time employment.

The programmes and schemes covered by this review form one part of this overall policy process; their contribution is particularly relevant to elements b) and c) of the policy mix. The main objective of the review is to attempt to assess this contribution; this assessment is contained in the next chapter.

Appendix2.1:- Reductions in NEAP Referral Thresholds

The following outlines how the referral thresholds have evolved since the outset of the EAP.

- Implementation of the referral process commenced in September, 1998. From that date, all persons under 25 who reached six months on the Live Register (LR) were referred by the Department of Social and Family Affairs (DSFA) for interview by FÁS.
- From March 1999 all those under 25 years reaching 18 months on the live register were also referred
- From May 1999 all those aged between 25 years and 34 years were referred at 12 months on the live register
- From February 2000 all those aged between 35 years and 55 years were referred at 12 months on the live register
- From July 2000 all those aged between 25 years and 55 years were referred at 9 months on the live register
- From March 2003 all persons were referred at 6 months on the Live Register.
- Intensification of the referral process includes those that are not picked up at the various thresholds in the 18-54 age group and who are more than six months signing on the live register.
- Referral of persons aged over 55 years commenced in July 2006
- From December of 2006 onwards, all individuals are being referred when they cross the 3 months unemployment threshold.

Chapter 3 - Activation review of individual schemes

Criteria for assessment

The main objective of this review is to attempt to assess the contribution of a range of schemes to the overarching objectives of activation policy. This requires identification of the criteria to be used for this assessment, across what is a diverse range of schemes.

Given the positioning of the schemes in the context of the evolving activation policy mix, as set out in the conclusions to Chapter 2, it is possible to identify a number of critical elements of any individual scheme from an activation perspective:-

- Eligibility conditions – is the scheme targeted narrowly on particular priority groups (e.g. based on background, receipt of particular payments, or on duration of unemployment)? Do these target groups coincide with the likely main target groups under the DSP's emerging profiling/case management approach?
- Geographic distribution of opportunities – do they match the distribution of unemployment/other indicators of need?
- Recruitment process – are participants self-selecting/selected solely by project sponsors, or is recruitment restricted by systematic referral by ES/DSP with follow-up and feedback as to what happened to those referred?
- Relationship of DSP to the projects – is it hands-on, for example, in terms of monitoring participants' experience and encouraging continuing job-search?
- Pay rates and conditions – how these compare with other welfare/income supports and/or wages; do they create barriers or incentives to move off the programme into regular employment?
- Duration of participation that is allowed/encouraged on the scheme – does this involve taking people away from the active labour market for extended periods?
- Performance – where data is available, how many are supported by the scheme and what numbers become independent of the social welfare system following participation on a scheme?

The remainder of this Chapter examines each of the schemes by reference to these criteria. For the purposes of analysis, the schemes are grouped into four types – temporary work programmes, internship programmes, education/ training programmes and programmes promoting self-employment. Table 3.1 below outlines the estimated expenditure and numbers supported for each group and individual scheme.

Table 3.1 – 2012 estimated numbers & expenditure all activation schemes

Strand	Programmes	2012 Estimated costs where available €,000m ²⁰	2012 estimated numbers supported	
			Average participation	New opportunities provided/clients assisted (est.)
Work Programmes				
	Community Employment	315,194	24,000	11,000
	Rural Social Scheme	45,660	2,500	200
	Tús Community Work Placement Scheme	84,000	3,800	5,000
	Job Initiative	27,156	1,200	0
	Part Time Job Initiative	990	200	n.a.
		473,000	approx 31,700	approx 16,000
Internships				
	National Internship Scheme JobBridge	65,780	5,000	8,000
	Work Placement Programme	-	200	400
		65,780	5,200	8,400
Education & Training				
	Back to Education Allowance	183,021	26,000	11,500
	Part Time Education Option	-	-	
	Education Training and Development Option	-	-	
	Activation and Family Support Programme	6,380	n.a.	8,500
	Technical Assistance and Training Scheme	4,500	n.a.	7,000
	Technical Employment Support Grant	3,200	n.a.	9,500
		197,101	approx 26,000	approx 36,800
Self Employment Supports				
	Back To Work Enterprise Allowance & Short Term Enterprise Allowance	137,940	12,000	6,000
	Credit Union Loan Guarantee Scheme	20	0	-
		137,960	approx 12,000	approx 6,000
	TOTAL	873,841	75,000	67,000

²⁰ Estimated expenditure for each scheme is based on published REV figures. Expenditure on individual schemes may vary within the context of the overall budget of the Department.

A. Work Programmes

A.1 Community Employment (CE) – comparison with activation criteria

1. Scheme description

The CE scheme aims to enhance the employability of disadvantaged and unemployed persons by providing work experience and training opportunities for them within their communities. In addition it helps long-term unemployed people to re-enter the active workforce by breaking their experience of unemployment through a return to work routine. Community and voluntary organisations sponsor local/community projects that satisfy two essential criteria - that they respond to an identified community need, and that they provide worthwhile work opportunities for participants. Table 3.2 below outlines numbers supported and expenditure on CE over the past five years.

Table 3.2 – CE numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	357.505	377.511*	374.310	368.282	349.395*
Number of Participants	22,746	22,785	22,724	23,069	23,396

**2008 expenditure figure includes a €3.75m accrual in respect of a CE supervisor's pension claim which did not materialise. This was written back to the accounts in 2011 reducing the overall CE spend in that year. The activity figures were unaffected.*

2. Eligibility conditions

CE is a narrowly targeted scheme available in the main to people over 25 who have been in receipt of specified social welfare payments -- those associated with unemployment, lone parenthood, and disability or long-term illness -- for at least a year. Participants are required to work 19.5 hours per week to fulfil the conditions attached to receipt of a CE payment. There are also smaller eligible groups usually associated with long-term disadvantage (e.g. ex-offenders, people with drug dependency problems, people from the travelling community), who may enter at younger ages and without meeting the requirement to have been on welfare for a year. There is no requirement for participants to engage in job search while on CE.

3. Geographic distribution of opportunities

Although CE places are widely distributed across the country, there are regional variations in the availability of places. The greatest concentration is in the West, with 62 places per 1,000 unemployed as measured by the Live Register. There are more than 55 per 1,000 in three further regions (Dublin, Mid West and North West), approximately 50 per 1,000 in the South West and South East, and approximately 40 per 1,000 in the North East and Midlands.

4. Recruitment process

A person can obtain information on a place on a CE project either directly from the relevant project or through DSP Employment Services, and then applies directly to the sponsor. Selection is thus voluntary and participants are self-selecting. The sponsor, as an employer, makes an independent decision on whether a person may participate on a scheme, subject to confirmation of the person's eligibility by the Employment Service office.

5. Relationship of DSP to the projects participants

Project Sponsors manage the day-to-day implementation of CE and the supervision of participants on behalf of the Department. The ratio of participants to supervisor position is on average 15:1 across all CE schemes. Responsibility for promoting training and development of participants, based on Individual Learner Plans (ILPs), and their subsequent progression, rests with supervisors on individual CE projects. While there is no requirement for participants to engage in active job search while on CE, provision is made for the agreement of an exit plan for each participant at the latest two months before the end of his/her period on the scheme, and for provision of additional work experience outside the project. The actual extent of job-search support is felt to be variable across projects.

6. Pay rates and conditions

The minimum payment a participant on CE will receive is €208 per week. Participants entering the scheme on reduced rate payments are maxed up to the current weekly €188 personal rate of Jobseeker's Allowance (JA) plus a top up of €20. If the prior welfare payment actually received by the participant was greater than €188, which may be for reasons such as allowances paid for adult or child dependants, the CE rate is this higher payment plus €20. Depending on the number of participants managed and their point on the scale grant towards wages and employers PRSI ranging from €522.71 to €855.54 are provided for CE supervisors. Up to Budget 2012, persons previously receiving lone parents or disability payments could also retain their welfare payment while on CE. This has now been discontinued for new entrants. Existing participants previously receiving lone parents' payments, while continuing to retain those payments, are now also paid only the standard CE weekly rate of €208.

For a single person, the basic CE payment represents about 68% of net earnings from a full time job at the national minimum wage. Given that CE is part-time (19.5 hours per week), and may be combined with other part-time work, this suggests there are limited financial incentives for participants to move on to low-paid full time employment.

7. Duration of participation

Permitted participation on CE ranges from 1 year to 7 years for different groups of participants. Duration is determined by length of time on a welfare allowance combined with age. For participants aged under 35, duration is set at one year with an optional second year in certain limited circumstances. Applicants between 35 and 54 years have eligibility for CE for 3 years with an extra year for persons on disability allowances. On the other hand applicants that are 55 years or older can remain on CE for a period of up to 6 years. If that applicant is on a disability related payment, they can remain for a further year.

Actual average duration of stay on the programme is approximately 2 years for those from the unemployment and lone parenthood streams, and over 3 years for those from the disability stream. Duration of stay has risen slightly during the recession – from an estimated 1.7 years in 2007 to 2.0 years in 2011.

8. Performance

As of the end of October 2012, 22,554 persons (including 1,380 supervisors) were engaged on CE schemes.

The share of *entrants* from an unemployment background, which had fallen as low as 36% by 2008, rose to 57% in 2011; the share of lone parents fell from 30% to 26% and that of people on disability payments from 19% to 10%. The share of those from the disability stream in the *stock* of participants is higher (17%) because they tend to spend longer than average on the scheme.

Over a quarter of participants are 55 years of age or older; fully half are aged over 45. Age varies across the eligibility streams. Among those from the unemployment payment stream, almost 60% are aged over 45, and only 16% are aged less than 35 years. In the disability payment stream almost 70% are aged over 45. Lone parents, by contrast, are relatively younger; 40% of them are aged less than 35, and a further 30% are aged 35-44. Those from the smaller disadvantaged groups are predominantly (75%) aged less than 35 years.

Almost 60% of those starting on CE in 2011 had education qualifications below Leaving Certificate. CE participants have significantly lower levels of education than does the labour force overall (where 25% have less than Leaving Cert) or the generality of unemployed people (40%).

For those leaving the scheme, progression rates have been broadly in line with those from FÁS training programmes; (participation on CE is of course far more resource intensive and of longer duration than a typical short training course; on the other hand, CE participants have been unemployed for much longer, on average, prior to joining the scheme).

Training is widespread, with up to 60% of participants receiving some certified training; this is subject to approval and monitoring by DSP.

CE- Conclusions

CE has become a multifaceted programme that aims to satisfy a range of objectives relating to activation of those participating and delivering much needed community services. There can be tension between these objectives. The Department's priority in terms of activation, is having access to a scheme that can provide referrals with good quality work experience, coupled with training as required which can assist in making its client's job ready, while implementation bodies may prioritise ensuring consistent service delivery. The activation element should remain the priority for the Department in its efforts to further its agenda in this area.

In terms of its activation objectives, CE has the advantage of reaching a relatively targeted client group by virtue of the eligibility conditions – particularly the requirement that participants must have been in receipt of welfare for a year or more prior to entry. This of itself has led the programme to focus on older workers and those with relatively low levels of education and training.

However, the role of the DSP in recruitment to the scheme is insufficiently active, which reduces the capacity to identify and refer clients for whom participation would be particularly useful based on their record of engagement with the Department. In addition, the average duration of participation has risen gradually over time and greatly exceeds the duration of one year originally envisaged for this type of programme. This longer duration reduces the number of opportunities that can be offered on the scheme with any given level of resources; it also runs the risk of participants becoming 'institutionalised' on the scheme itself rather than being encouraged to progress.

CE – recommendations

The following recommendations are made to build on and further develop the contribution CE can make to the Department's activation priorities. These recommendations reflect the recommendations made in the recently published 'Community Employment Financial Review'. A link to this review is displayed underneath.

<https://www.welfare.ie/en/Pages/Community-Employment-Financial-Review-of-Schemes.aspx>

1. Recruitment to the scheme should be mediated and directed, based on referral from DSP Employment Services only.
2. Duration of participation for new entrants should be limited to one year for participants from the unemployed and lone parent streams, to two years for those from the disability stream, and to three years for those entering based on drug dependency.

3. For those generally limited to one year, there should as at present be an option for a second year if they are participating in learning that leads to a qualification at the end of the 2 year period.
4. Eligibility for participation should continue to focus on those who have been receiving payments for a year or more. As case management evolves for those with shorter unemployment durations but at high risk of becoming long-term, eligibility could be extended to this group under limited circumstances.
5. There needs to be a greater focus on ensuring job-search and progression planning for participants well in advance of their scheduled exit from CE. Work in this area (and outcomes for leavers) already forms part of the key performance indicators in contracts with projects, but the quality of implementation is variable across projects. Its importance should be further highlighted and it should be incorporated more formally in decisions on the extension/renewal of project contracts.

It is recognised that, in addition to its objectives for participants, CE has become important over time in its role of supporting the delivery of a range of community, sporting, care and other services. While the changes now being proposed may pose challenges for projects in terms of service delivery over time, if case managers are consistent in referring suitable clients to meet service delivery demand to projects committed to the activation agenda this challenge should be minimised. It is reasonable to think both strands are not mutually exclusive and that a person benefiting from training and work experience and a general positive experience would in turn be associated with providing quality delivery of services.

However, if this were to become a major difficulty it might be addressed by either:-

- re-focusing into two strands (an activation and a service strand) within the scheme itself for individual projects, with the service strand existing outside the Departments suite of activation schemes, or
- (as suggested by the Department of Public Expenditure and Reform) a move towards lead core funding of all community projects by the public agency responsible for the relevant kind of service delivery, with CE supporting only part – generally a minority – of staff in any individual organisation/project.²¹

²¹ Comprehensive Review of Expenditure 2011, CEEU Cross-Cutting Paper No.1, *Rationalising Multiple Sources of Funding to Not-for-Profit Sector*

A.2 Tús – comparison with activation criteria

1. Scheme description

Tús is a scheme targeted at those with in excess of one year association with the LR that aims to provide short-term, quality work opportunities for those who are unemployed while also assisting in providing certain services of benefit to communities. Participants are randomly selected from the Live Register and sanctions apply to those who do not avail of offer of placements. While the scheme aims to contribute to the work readiness of the long-term unemployed, it also contributes to the management of the Live Register in highlighting those who are unemployed but may not be actively seeking work. Tús is delivered through 53 Implementing Bodies (IBs) - 52 Integrated Development Companies (IDCs) and Údarás na Gaeltachta who manage the day-to-day implementation of Tús. Table 3.3 below outlines numbers supported and expenditure on Tús since its launch.

Table 3.3– Tús numbers and expenditure

Year	2010	2011
Expenditure (€m)	*	11.756
Number of Participants		2,254

*Scheme launched 21 December 2010, initial allocation of €30m for 2011

2. Eligibility conditions

Tús is a community work placement initiative, established in 2011, that provides short-term part-time working opportunities for unemployed people. Tús participants must be in receipt of jobseeker's payment for 12 months and have an entitlement to JA and be fully unemployed. Spouses are ineligible to participate on Tús unless they are in receipt of a payment in their own right. As with CE, participants are required to work 19.5 hours per week to fulfil the conditions attached to receipt of a Tús payment. It is a stated objective of Tús that it will contribute to the management of the LR and act as a disincentive to those not eligible for welfare benefits. While there is no requirement for participants to engage in job search while on Tús a key element of the engagement is to identify other work, training and education opportunities. While on Tús, participants can take up other employment and are supported to do this, provided any such work does not interfere with their Tús commitments. Participants may terminate their engagement on Tús at any time to take up full time work, training and education opportunities once they do not return to the Live Register.

3. Geographic distribution of opportunities

The allocation of places on Tús is based on the national distribution, by county, of those meeting the criteria of over one year unemployed and in receipt of Job Seekers Allowance on 6 December 2010.

4. Recruitment process

Participants falling within the eligibility criteria are selected randomly for participation. The Department then contacts the potential participants offering them the opportunity to be considered for local employment as opportunities arise.²² Participants on Tús are therefore chosen and referred by the Department as opposed to the self-selection nature of many of the Department's other schemes.

Those who respond to this initial invitation but elect not to participate are interviewed by the local/branch office and can be excused on the basis of personal circumstances, age, disability/illness, valid offers of work or training or in limited cases, childcare responsibilities or where participating in Tús would reduce the family's net income. Those who do not respond have their payments suspended and are required to attend the local/branch office to validate the requirement to be genuinely seeking work, to offer a valid excuse or to agree to have their details referred to the relevant Implementing Body (IB).

5. Relationship of DSP to the projects/participants

IBs manage the day-to-day implementation of Tús and the supervision of participants on behalf of the Department. The ratio of participants to supervisor position is 20:1. IBs are responsible for identifying suitable work placements and community groups in their respective geographical locations and are responsible for advertising, evaluating and selecting work opportunities.

Organisations with a proposed work placement register with the IB in their area. They are then asked to submit a proposal detailing the work that is proposed to be undertaken and the number of participants requested. The IB then assesses the proposal and makes a decision on it. Each IB receives a fee for the delivery of Tús based on the number of participants it has been allocated. Tús does not provide for exit/progression planning.

In addition, the unavoidable costs of insurance and supervision are also met by the Department, with additional resources to meet compliance costs in respect of essential training and health and safety equipment and consumables. Separately, IBs are provided with financial resources to offset the costs of equipment, inputs, fuels, consumable and essential materials for the delivery of services on its own account or in community setting where the opportunity to generate local resources are limited.

²² With a view to ensuring that a sufficient number of participants will emerge from the referral process to match the opportunities, the number of initial invitations offered is set at three times the envisaged number of places in each locality.

6. Pay rates and conditions

As of September 2012, following from initial findings of this review the payment arrangements attached to Tús were altered to bring them in line with CE. For new entrants the minimum payment a participant on Tús will now receive is €208 per week. Participants entering the scheme on reduced rate payments are maxed up to the current weekly €188 personal rate of JA plus a top up of €20. If the prior JA payment actually received by the participant was greater than €188, which may be for reasons such as allowances paid for adult or child dependants, the Tús rate is this higher payment plus €20. Supervisors are paid at a rate of €594.20 per week or €31,005.51 per year.

Prior to September 2012, participants, even those previously in receipt of means reduced rates, received the maximum rate inclusive, where relevant, of the full qualified adult and child dependant payments. This treatment differed from CE where as noted earlier, payment is set at the participant's prior *actual* DSP payment plus €20, subject to a minimum of €208. This led to a situation where a person with similar circumstances could receive a much higher payment if they engaged with Tús as opposed to CE. Given the inequality discovered the Department moved to implement similar payment arrangements to CE once notified of the anomaly.

As a result, almost 30% of Tús participants received increases of more than €20 over their prior welfare payment; for 10% of participants the increase is greater than €150. These cases arise where the participant has significant means – often related to spousal earnings.

7. Duration of participation

Participation is for one year only. Participants are encouraged to remain on Tús for this period unless they receive an offer of full time employment. In cases where an individual exits Tús for reasons other than full-time employment, there are provisions for penalising them via a temporary disqualification of their JA payment.

A participant cannot subsequently re-participate on Tús for a minimum of 3 years.

8. Performance

Funding has been provided for 5,000 placements with the majority of capacity being filled by July 2012. Male participants account for 74% of the total with 26% female. Over 65% of the total Tús cohort falls within the 25-49 age brackets, with fewer than 4% aged 60 or over. A further 18.5% are aged 50-59. With 12% of participants being aged under 25 years, the age profile of Tús participants is rather younger than that of job-seeker eligibility CE participants. As of the end of October 2012 there were 4,491 participants and 245 supervisors engaged on Tús programmes.

The Department has commissioned the delivery of a tracking system which is made available to each IB and will track each prospective participant and activity undertaken with respect to all engagement, placement, activation or other support that might be provided. It will also track outcomes post engagement with Tús. This system was rolled out nationally in July 2012 and is expected to be fully populated, including historic data, by the end of November 2012. The first exits arising from completion of the 12 month engagement in any significant number from Tús are not expected until late 2012.

Data in respect of the level of co-operation with Tús is also being collated. Initial indications suggest that around 80% of those randomly selected and offered an opportunity agreed to be considered for a work placement. Of the remaining cohort randomly selected, feedback from DSP Divisions indicate these divide 50/50 into those unable to take up a work placement offer due to engagement in other activation activity, education, age, illness or caring responsibilities and those who did not respond or were un-cooperative.

In all cases, local/branch offices may suspend the Job Seekers' payments pending satisfactory explanations being provided or move the customer to a more appropriate payment, particularly where health related factors are identified. Where a claimant offers a valid explanation for not being able to take up the offer of a placement, local office staff have the flexibility to reinstate the claim, excuse the individual or require the individual to participate or close their Job Seekers' claim. Detailed statistics have not been compiled to date on the outcome or the numbers to which suspension of Job Seekers' payments was imposed or the nature of other penalties administered.

Some three-quarters of all persons contacted indicated a willingness to be considered for Tús and these were referred to the IBs for skill profiling, interview, placement in suitable work positions or referral to other activation measures. Very low levels of non-cooperation or non-engagement with the IBs have been reported. However, data in respect of this is limited and final conclusions cannot be drawn until further data has been collected and verified. Indications from the IBs suggest significant engagement by the prospective participant with the processes underpinning Tús.

Tús – Conclusions

It is as yet too early to form firm conclusions as to the effectiveness of Tús. It has been in existence for only a short time, and only reached its capacity of 5,000 placements in mid 2012, numbers have fallen slightly to October 2012; the first exits from the programme will begin only in the autumn. From an activation perspective, the scheme already incorporates some of the recommendations made earlier on CE – e.g. in relation to DSP's active role in recruitment and to duration of participation on the scheme. Provision for training and for the agreement of exit plans is however less developed than on CE. Early experience has also identified clients who put themselves forward for Tús placements but are not chosen by IBs. This cohort

may feel they have not had a positive experience engaging with the Department and may become demotivated.

Tús – recommendations

This review of experience does suggest a number of recommendations for improvements to the scheme:-

- There should be a greater focus on ensuring job-search and progression planning for participants well in advance of their scheduled exit from Tús. At a minimum, Tús would benefit from adoption of the approach on CE where there is provision for the agreement of an exit plan for each participant at the latest two months before the end of his/her period on the scheme.
- Given the limitation on places in each area, it is possible that some of those referred to IBs and found suitable will not obtain a placement; procedures should be developed to allow for speedy referral of these people to alternative supports for progression to employment.
- It is essential that the proposed tracking system for the scheme should be fully implemented as soon as possible. It should include the capability to report at national level on the outcomes at each separate stage of the processes involved in Tús, including
 - The initial DSP invitation to participate, the responses received, and how these are followed up
 - Referral to IBs of those who agree to participate, feedback from IBs on referral outcomes, and how this is followed up
 - Outcomes for participants post Tús.
- As has been recommended for CE, as case management evolves for those with shorter unemployment durations but at high risk of becoming long-term, eligibility for Tús could be extended to this group under limited circumstances.

A.3 Rural Social Scheme (RSS) – comparison with activation criteria

1. Scheme description

RSS is a narrowly targeted non-statutory income support initiative to provide part -time employment opportunities in the community for farmers or fishermen/women in receipt of certain social welfare payments and underemployed in their primary occupation. Given the nature of the RSS, it is only available in rural areas with participants, or their spouse, mainly described as farming small uneconomic holdings. The work undertaken is primarily to support local service provision via community, voluntary and not-for-profit organisations, provided that this does not displace existing service provision or displace employment. RSS is delivered through Implementation Bodies (IBs) -35 IDCs and Údarás Na Gaeltachta. Work opportunities are provided by community and voluntary organisations. Table 3.4 below outlines numbers supported and expenditure over the past five years.

Table 3.4 – RSS numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure	47.788	49.311	48.344	46.022	45.147
In €m					
*Number of Participants	2,562	2,566	2,527	2,513	2,525

* Figures reflect the average number of participants engaged throughout the year, rather than the number there is sanction for.

2. Eligibility conditions

The RSS scheme is a narrowly targeted scheme available to farmers with small uneconomic holdings or fishermen/women. To be eligible participants must be in receipt of certain social welfare payments, and possess a herd number or be a self employed fisherman. There are no age requirements or minimum periods on qualifying social welfare payments attached to the scheme.

Similar to CE, RSS supports the delivery of a range of community, sporting, care and other services that should not displace existing employment. IBs are responsible for identifying suitable work and community groups in their respective areas suitable for RSS support. As with CE and Tús, RSS participants are required to work 19.5 hours per week, with some flexibility to allow the seasonal nature of farm/fish work. There is no requirement for participants to engage in job search while on RSS.

The profile of participants is skewed towards the over 50 age bracket (70%), and males (80%).

3. Geographic distribution of opportunities

The counties with most participants are Mayo (22% of the total) Kerry and Galway (each with 11%) and Donegal (9%). Relative to the underlying distribution of Farm Assist, the counties of Mayo and Kerry are somewhat over-represented on RSS.

4. Recruitment process

IBs are responsible for identifying suitable work and community groups in their respective areas suitable for RSS support. IB's are responsible for advertising, evaluating and selecting work opportunities with practices varying depending on local circumstances. Selection is voluntary and participants are self-selecting. Participants who engage in RSS are selected by the IBs under guidance issued by DSP. IBs must provide feedback to DSP which is concentrated more on the work carried out than the participants.

5. Relationship of DSP to the projects/participants

Contracts are awarded by DSP to IBs to manage the implementation of the schemes and the supervision of participants. As there are a set number of 2,600 places available under RSS and there are 130 supervisor positions, the ratio of participants to supervisor position is 20:1. If specialist tasks require upskilling and training this is provided by the IB. There is no requirement to be engaged in active job search while participating on RSS schemes. This reflects the absence of such conditionality on the underlying welfare payments from which RSS participants are drawn.

6. Pay rates and conditions

From September 2012, certain payment arrangements attached to the RSS were altered to bring them in line with CE and Tús. In the main, the minimum payment a participant on RSS will receive is €208 per week. Participants entering the scheme on reduced rate payments are maxed up to the current weekly €188 personal rate of Jobseeker's Allowance (JA) plus a top up of €20. If the prior welfare payment received by the participant was greater than €188, which may be for reasons such as allowances paid for adult or child dependants, the RSS rate is this higher payment plus €20.

Prior to September 2012 no additional allowances were paid in circumstances where spousal earnings exceed €310 per week, however spousal income is now treated similar to CE and Tús in that the payment received, including those with increase for spouses and children, immediately prior to participating on RSS is retained plus a €20 top up payment.

Participants who transfer to RSS from OPFP and DA payments are treated differently. These participants are paid the minimum RSS rate of €208 but may also retain their qualifying payment where entitlement exists. Means from RSS income are assessed against their OPFP and DA payments and where an entitlement to a

means reduced payments exists, this is paid with additional allowances such as increases for qualified adults or dependent children. This situation where a participant may receive their welfare payments in addition to the work programme payment is at odds with other DSP work programmes.

Supervisors are paid at a rate of €594.20 per week. Participants must notify their IB if circumstances which could affect their rate of payment changes while engaged with RSS. Participants may also retain secondary benefits while engaged in RSS.

7. Duration of participation

As there is no specified duration once eligibility criteria are satisfied there is little or no incentive to move off the scheme.

8. Performance

As of the end of October 2012 there were 2,597 participants and 130 supervisors engaged with RSS. Over 70% of participants are 5 years or more participating on the scheme and there is relatively low turnover of about 5% each year. The turnover is mainly attributed to participants reaching the maximum (retirement) age as opposed to exiting due to employment. The objectives of providing income support to low income farmers and fishermen/women and the provision of services to rural communities would appear to take priority over access to training in order to enhance the prospects of returning to employment.

Rural Social Scheme – conclusions

The role and impact of RSS reflects the structure of the underlying welfare payments that apply to the client group it serves. As the latter have no labour market-related conditionality, the activation role of RSS is inevitably limited. Rather than being designed to promote progression to further open market employment, the scheme allows participants to work part-time indefinitely on community projects for an amount somewhat in excess of their underlying welfare entitlement. As there is no limit to the duration and participation is by self selection the scheme is of little relevance to the Department in developing future activation policy or accommodating commitments made in Pathways to Work.

RSS simply serves a purpose in providing services in rural Ireland which are carried out by DSP clients while retaining their social welfare payment.

Rural Social Scheme – recommendations

In these circumstances it is difficult to identify ways in which RSS could take on a greater activation role.

In the short term the situation where persons previously receiving lone parents or disability payments may also retain their welfare payment while on RSS should be addressed in line with changes introduced to the CE scheme in Budget 2012.

Eligibility to RSS should be restricted to those engaged in farming and on Farm Assist or actively farming and in receipt of a Jobseeker's payment. Given the nature of RSS and its life long duration and relationship to income support for underemployed farmers, it would be appropriate in current circumstances to restrict eligibility.

If the scheme is to continue unchanged, there is a need to decide if it is best suited to DSP or should be moved to a Department or body that is engaged with the development of rural and community services. The number of places associated with the scheme should not, in any case, be counted as activation places by DSP.

A.4 Job Initiative (JI) – comparison with activation criteria

1. Scheme description

The Job Initiative is a programme that initially provided three years full-time employment for people who – on entry to the scheme – were 35 years of age or over, unemployed for 5 years or more, and in receipt of social welfare payments over that period. Further entry to the scheme was suspended in 2004, when those already on the programme were given the right to remain on the scheme indefinitely. Table 3.5 below outlines numbers supported and expenditure over the past five years.

Table 3.5 – Job Initiative numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	40.065	37.734	36.411	30.223	29.678
Number of Participants	1,608	1,519	1,433	1,349	1,281

2. Eligibility conditions

The Job Initiative (JI) scheme was launched in 1996 and was intended to provide full-time employment for a fixed-term period of three years to persons who had been long-term unemployed. In November 2004 the Minister for Enterprise, Trade and Employment decided to allow those already on the programme to remain until retirement age. Further recruitment onto the scheme was also halted from that date.

3. Geographic distribution of opportunities

JI is heavily concentrated in the Dublin and Mid-West regions – in each case with over 5 places per 1,000 on the Live Register at the end of 2011. There are relatively few places in the South East, South West, West and Midlands.

4. Recruitment process

As noted above, recruitment onto the scheme was halted from November 2004.

5. Relationship of DSP to the projects/participants

Managing Agents and participants now view the programme as real jobs. In addition the Department does not set any targets for progression, including to employment. Positions are therefore viewed as permanent positions.

6. Pay rates and conditions

The grant per participant place is currently set at €433.33 per week, of which a maximum of 4% can be allocated to administration and overheads, including training. The minimum weekly payment to the participant is thus €416 – twice the CE rate.

7. Duration of participation

Given the ministerial decision of November 2004, participation is indefinite subject to a maximum age limit – participants must leave the scheme on reaching age 66.

Actual turnover is minimal – 48 people or about 4% of the total left the scheme in 2011 – and relates primarily to retirement or death.

8. Performance

As outlined recruitment to the scheme has ceased since November 2004 and existing participants may remain on the scheme indefinitely. Participation has fallen steadily as some participants leave and are not replaced. There were 1,256 participants (on 66 projects) at the end of 2011, down from 1,700 participants in 2006. About 70% of participants originally came from jobseeker's payments, and almost all of the remainder had lone parents' entitlements. Males and females are equally represented among participants. Virtually all participants are aged over 45, with close to half being aged 55 and over.

JI – Conclusions

Given the structure of the scheme, and the fact that it has been closed for some time to new recruitment, JI does not contribute to the Department's activation policies.

JI – recommendations

Current policy is to let JI wind down naturally, with no new recruitment and a steady flow of retirements, and there is little option but to continue with this approach.

(Now that responsibility for the scheme rests with DSP consideration might be given to the option of closing the scheme; however, any such consideration would have to recognise the existence of Ministerial guarantees and the fact that, as these employments are now considered permanent there would be significant IR/ HR implications).

Falling numbers have made, and will continue to make, some individual projects unviable, and to date this has been addressed by promoting the amalgamation of projects. Consideration should be also given to recognising JI as being purely support for service delivery, with no active labour market component. In that case, JI schemes might be amalgamated, on a local basis, with projects now funded under the Community

Services Programme. Alternatively, if the recommendations above in terms of the service delivery component of CE were followed, this too would provide opportunities for rationalisation of JI projects.

A.5 General conclusions and recommendation on Work Programmes

The preceding sections have given separate consideration to each of the work programmes. They also need to be considered in their totality and in terms of their relationship to each other and to the overall scale of active labour market policy interventions.

Work programmes like these are common as activation interventions across countries in times of high unemployment. While international evaluation studies of direct job-creation programmes have generally been disappointing, the OECD has concluded that public sector job creation schemes can provide a useful, temporary backstop to activation regimes in a recession for the hard-to-place unemployed, particularly if it is deep and long.²³ According to OECD, “the research suggests these programmes can avoid the “hard to place” becoming too disconnected from the labour market. However, in order to be effective, any such schemes must be temporary and should not become a disguised form of subsidised permanent employment”. More recently, the OECD²⁴ has pointed out that reliance on temporary employment schemes has been relatively high in Ireland as compared with other countries; that post-programme outcomes remain disappointing; and that such schemes “should be used as a last resort activation tool”.

²³Grubb, D., S. Singh and P. Tergeist. (2009). *Activation Policies in Ireland, OECD Social, Employment and Migration Working Papers No. 75* (08-January-2009)

²⁴*Economic Review of Ireland 2011*

NESC views on work programmes

The criteria adopted in assessing the activation role of these work programmes are consistent with the views expressed on direct employment programmes by the National Economic and Social Council in section 8.3.1 of its 2011 report on *Supports and Services for Unemployed Jobseekers*.

The Council was of the view that projects whose principal raison d'être is the temporary employment they provide "could make a significant contribution to interrupting otherwise long unemployment spells for a large number of those now unemployed". However, concerns that needed to be addressed in relation to such schemes included:

- occupying unemployed people for long periods on alternatives to preparing and competing for employment in the mainstream economy may ultimately reinforce their status as outsiders. This risk could be further reduced by ensuring that recruitment into direct employment projects did not 'lock' participants out of job-search or from taking steps to prepare for new careers but, rather, that such efforts increase as projects near completion
- the capacity (in either the non-profit or the public sector) to identify and deliver on a significant volume of projects that would, simultaneously, deliver value for money in enhancing infrastructural assets, and maintain and enhance the skills of the individuals employed
- temporary measures easily create producer interests that lead to their indefinite retention as not primarily labour market measures but subsidies for needed local services
- targeting direct employment programmes at the most socially disadvantaged may create a stigma around participation that damages participants' future employment prospects (while not targeting means money is spent on some participants with less need than many non-participants).

While there is no evident "correct" level at which the scale of temporary employment measures should be set, it is clear that OECD views the current level in Ireland as being too high. The recommendations for reform to individual programmes in this review are designed to address some of the scheme-design characteristics of which the OECD has been critical. Moreover, long-term unemployment has risen further since the most recent OECD review of Ireland in 2011, and seems likely to remain at an elevated level for some time, as noted in Chapter 1; this could be seen to strengthen the case for selective expansion of temporary employment. Even with the proposed reforms, however, it would appear to be desirable, as the economy recovers and unemployment starts to fall, to reduce the scale of these programmes relative to other active labour market interventions.

In the shorter term, the recommendations for CE and Tús will, if implemented, lead to closer alignment of the design of these two schemes. In these circumstances, early consideration should be given to full amalgamation of the two schemes.

B. Internship/Work Placement Programmes

B.1 JobBridge – comparison with activation criteria

1. Scheme Description

JobBridge is an internship scheme whereby host organisations offer internship opportunities of either six or nine months' for unemployed jobseekers. The scheme aims to provide those seeking employment with the opportunity to gain valuable work experience, maintain close links with the labour market and to enhance their skills and competencies through an internship opportunity, thereby improving their prospects of securing employment in the future. It is aimed at assisting those seeking employment to successfully bridge their transition into employment. Table 3.6 below outlines numbers supported and expenditure from the launch of the programme to year end 2011.

Table 3.6 - JobBridge numbers and expenditure

Year	2011
Expenditure In €m	€8.2 m
Number of Participants	3,100

*JobBridge launched 1 July 2011; participant figure is participant stock as at end-December 2011

2. Eligibility conditions

JobBridge came into operation on 1st July 2011; it is an internship scheme whereby host organisations offer internship opportunities of either six or nine months' duration for unemployed jobseekers. In order to be eligible to participate in JobBridge an individual must be currently in receipt of a live claim (JA/JB/OPFP/DA or signing for social insurance contribution credits) for a total of three months or more in the preceding six months.

3. Geographic distribution of opportunities

Although there are JobBridge placements in all parts of the country they are particularly heavily concentrated in the Dublin region which accounts for 34% of all participants. The South East and South West regions account for circa 13% each with the Midlands, Mid-West and West regions accounting for in the region of 9% each. The North- East and North West regions represent the lowest take up which is in the region of 6%.

4. Recruitment process

Host organisations (HOs) complete an online application form to advertise placements which are then advertised on the JobBridge and Jobs Ireland websites. Jobseekers apply directly to host organisations who then recruit using their normal recruitment and selection processes. Final recruitment of the selected intern under the scheme is subject to confirmation of the intern's eligibility by the local DSP office.

Jobseekers may find information about internship opportunities at the JobBridge website, Jobs Ireland website, and on WATIS machines in Employment Services offices. Employment service staff have also been active in informing individual job seekers of opportunities relevant to them. Participants are, nevertheless, primarily self-selecting rather than being systematically referred.

5. Relationship of DSP to the projects/participants

A standard agreement is signed by both the intern and the HO at the beginning of each placement. The agreement outlines the rules of the scheme, identifies the intern's mentor and includes a section that is completed by the host organisation and agreed with the intern describing the work experience, skills practice, learning opportunities, training etc. that will be provided for the intern during the internship.

Each month the HO is required to log on and update monthly compliance records to confirm that the intern is attending and that the internship is being delivered in accordance with the standard agreement.

Interns are encouraged to engage in active job search while on an internship and are allocated time off to attend job-seeking activities.

6. Pay rates and conditions

Participants retain their current social welfare payment and receive an additional Internship Allowance of €50 per week for the duration of the internship.

For a single person receiving full rate JA²⁵, the internship payment represents about 77% of net earnings from a full time job at the national minimum wage. The similar replacement rate for those on the two reduced JA rates for younger people are 63% and 50% respectively.

7. Duration of participation

An internship can last for either six or nine months at the discretion of the host organisation, with duration being set at the time of notification of the internship vacancy.

As the placement is in standard workplaces, it could be seen as bringing participants closer to rather than removing them from the active labour market. The extent of early leaving – primarily to employment, and

²⁵ Inclusive of the winter fuel allowance, averaged across the full year for the purpose of these calculations.

largely outside the host organisation – would suggest that participants are combining their periods on the programme with continuing active job search.

8. Performance

In the region of 11,670 internships have commenced to date, with 5,262 participants on an internship at the end of October 2012. About 27% of participants are aged under 25 years, 46% are aged 25-34 years, and over a quarter of participants are aged over 35.

Although by its design JobBridge might be seen as targeted on the younger short-term unemployed, particularly recent leavers from education, it has effectively reached significant numbers of older unemployed people as well.

Indecon Economic Consultants completed the first part of an independent evaluation of the Scheme (5th October 2012) which found that 52.3% of the 5,600 finisher's to-date were now in paid employment. 29% of which found employment with their host organisation and 23% found employment with another organisation. A further 3.3% of finishers were employed on a short-term contract which had now ended.

In addition, a further 8% of finishers were pursuing further education. 33% of finishers had returned to job search.

JobBridge – relationship with the WPP

The Work Placement Programme (WPP) preceded JobBridge, and has many similar features. Among the principal differences between the two schemes,

- WPP is open to recipients of certain additional welfare payments (lone parents, disability - Prior to May 2012 JobBridge was restricted to jobseekers).
- WPP provides only for retention of a participant's prior welfare payment – there is no additional top up allowance
- Persons without any welfare entitlement could participate; these participants receive no payment under WPP.

WPP has continued to operate since the establishment of JobBridge. However, the number of participants has fallen from 1,800 in mid 2011 to 214 at end of September 2012, and numbers continue to fall as the number of new entrants has been running at 40 or fewer each month. From the 28th May 2012 it was announced that OPFP and DA recipients will be eligible to participate on JobBridge. As a result, WPP will be catering primarily for placements where the participant has no welfare entitlement or other cohorts that are not eligible for JobBridge, and the number of new entrants will fall further – probably to single figures each month.

JobBridge/WPP – Conclusions

Indecon consultants have just completed the first part of an independent evaluation of the JobBridge scheme which is being considered by the Department. A link to this review is displayed underneath.

<http://www.welfare.ie/en/Pages/Indecons-Interim-Evaluation-of-JobBridge.aspx>

The report found that in excess of 50% of participants had secured employment and that both participants and employers expressed a high level of satisfaction with the programme. The evaluation assessed the design, delivery and impact of JobBridge on the unemployed. This evaluation should assist and inform future policy decisions and direction of the scheme.

The launch of JobBridge with an additional allowance of €50 per week incentive attached has effectively undermined the rationale for WPP.

JobBridge – Recommendations

An independent evaluation of JobBridge has just been completed and now must be considered by the Department.

In the interim, it seems wasteful to continue running the parallel WPP scheme administration to cater for the small numbers involved – which will now fall further as those on lone parents' and disability payments are eligible for JobBridge.

It is recommended that JobBridge should allow the registration of internships where the participant has no previous welfare entitlement and therefore receives no payment under the scheme. Once this is done, WPP can be closed to new entrants and the scheme can be closed down entirely in a matter of months. (Consideration should be given to paying the €50 weekly JobBridge allowance to the small number of participants without basic welfare payments).

As the profiling/case management approach is rolled out, referral to JobBridge opportunities should become more systematic, with provision for feedback from host organisations on referral outcomes.

C. Programmes supporting participation in education/ training

C.1 Back to Education Allowance (BTEA) – comparison with activation criteria

1. Scheme background

The back to education allowance (BTEA) scheme is a broadly targeted non-statutory second chance education opportunities scheme for eligible people on certain social welfare payments. A person wishing to pursue BTEA will have to satisfy a number of conditions such as being a certain age, in receipt of a prescribed social welfare payment for a specified time period, commencing the first year of a course, pursuing a full time course of study leading to a recognised qualification in a recognised college and progressing in the level of education held by the client with reference to the national framework of qualifications among others. Table 3.7 below outlines numbers supported and expenditure over the past five years.

Table 3.7- BTEA numbers and expenditure

Year*	2007	2008	2009	2010	2011
Expenditure In €m	64.14	77.13	107.31	179.85	201.51
Number of Participants	8,090	8,883	11,646	20,808	25,032

Note: Expenditure based on calendar year while participant numbers are based on academic year. E.g. there were 8,090 participants in the 2006/07 academic year.

2. Eligibility conditions

BTEA is targeted at recipients of jobseeker's, one parent family and disability/illness related payments wishing to pursue a full time course of study leading to a recognised qualification in a recognised college. In general, recipients must have been in receipt of a qualifying payment for three months if entering second level courses and nine months if entering third level courses. Once BTEA has been awarded, payment will continue even where entitlement to the original qualifying payment no longer exists. A spouse of a person receiving one of these payments may also qualify for BTEA even if they are not in receipt of a payment in their own right. A person applying for BTEA must be aged 21 or over (with certain limited exceptions). The applicant must be commencing the first year of a course which must also be at a higher level with reference to the national framework of qualifications, than any qualification already held by the client.

3. Geographic distribution of opportunities

BTEA places are dispersed across the entire country. The regions with the highest representation in 2011/12 were the Dublin South region and the southern region, with 21% and 18% respectively. The border regions have 17% representation and western regions have 14% while the midlands region is the lowest with only 5%. Regional BTEA representation is closely aligned with LR representation. At a more disaggregated level, participation rates tend to be higher in counties outside Dublin with higher education institutions (e.g. Sligo, Galway, and Donegal).

4. Recruitment process

Participants who satisfy the eligibility criteria and participate on BTEA are self selecting. While case officers may assist in directing a person towards a particular course, there is no formal referral system.

A participant awarded BTEA will receive formal provisional approval from DSP. The participant must then provide written confirmation from the relevant school/college stating that they are registered as a full-time day student before payment of BTEA commences.

5. Relationship of DSP to the projects/participants

BTEA participants are exempt from active job search. While control exercises are carried out periodically to ensure the participant is continuing to engage in full time study, there is no other monitoring of the participant's progress during the academic year. A form is issued to all awarded participants as the academic year concludes to ascertain their intentions for the following academic year.

Details in relation to course type, qualification pursued, college etc are collected when applications are approved, but entry of these into the national database is not uniform across regions. (The system set up to record these details is dated and not user-friendly; it is not integrated with the ISTS payments system, and its use is not therefore mandatory in order to approve a BTEA application). There is no requirement for people to notify the Department of results attained on completion of a course for which they have been supported under BTEA. These factors greatly curtail the ability to report on BTEA outputs and outcomes.

6. Pay rates and conditions

The minimum payment a participant on BTEA will receive is €188 per week. Participants entering the scheme on reduced rate payments are maxed up to the current weekly €188 personal rate of their qualifying social welfare payment. This applies to all participants, including those previously in receipt of means reduced payments or of the reduced standard rates for younger claimants.²⁶ If the prior welfare payment actually received by the participant was greater than €188, which may be for reasons such as allowances

²⁶ The standard JA rate for persons aged less than 22 years is now €100, and for people aged 22-24 inclusive it is €144.

paid for adult or child dependants, the higher rate is paid under BTEA. About 40%²⁷ of those entering BTEA in 2011 received increased payments relative to their prior jobseeker's payments; for 27% of entrants the increase was more than €50 per week, and for about 12% of entrants the increase was over €100 per week. Once awarded BTEA, participants retain their maximum payment even in situations where the underlying entitlement to the qualifying payment has ceased. Where the participant has qualified for BTEA while on Jobseeker's Benefit, the remaining entitlement to JB is "frozen" during the period on BTEA.

In addition to the weekly allowance, an annual €300 cost of education allowance is payable. Secondary benefits may continue to be paid subject to satisfying the relevant conditions. Participants may also engage in employment and self-employment without affecting their payment.

In most instances, BTEA is paid only during the academic year. However, participants previously in receipt of One-Parent Family and illness related payments may retain their BTEA payment during the summer period provided they are progressing to the next academic year.

Participants who qualified from jobseeker's payments and cannot find employment are entitled to 'sign on' for summer periods and will receive a payment if an entitlement exists. Analysis of DSP data suggests that in recent years the percentage of BTEA participants who return to the LR for the summer months has ranged from a low of 60% to a high of over 80%.

7. Duration of participation

BTEA supports persons pursuing courses from second level up to higher level 8 in third-level education. A participant may remain on BTEA for as long as s/he is progressing in approved courses of study. As there is no requirement to re-qualify for BTEA a person could be supported via BTEA for a number of years where no underlying entitlement to a primary payment exists. This is unusual, as in the main, participation on the Department's scheme is dependent on an underlying SW entitlement. Participants may also engage in employment and self-employment without affecting their payment, no means test applies.

Average length of courses for second level courses is 1-2 years while third level courses are 3-4 years. A person entering the BTEA system at second level could potentially be supported for up to 6 years. Comparison of the stock of participants with inflows in 2010-11 indicates that the average actual duration of participation on the second level option is 1.4 years (suggesting that approximately one third of participants

²⁷ Further analysis of the 40% reveals - 16% received age related increases, 15% received increases due to 'other' reasons such as spousal swaps, previously in receipt of reduced JB and 9% received increases due to previously in receipt of means reduced payments.

take two-year courses). The average duration of participation on the third level option is 3 years. For those who take both options in succession²⁸, therefore, average participation is 4.4 years.

8. Performance

In the 2011/12 academic year 25,700 people engaged with BTEA, 88% of whom originated from unemployment payments, 8% from one parent families and the remaining 4% from illness related and carers payments. Available data²⁹ suggests that 49% of the participants were new entrants in that academic year, while 51% were resuming courses under BTEA.

Some 61% of recipients pursued third level courses while 39% pursued courses described as being at second level. Analysis of course type under the second level option suggests a large majority of these courses are in fact Post Leaving Cert (PLC courses) undertaken in the further education sector. Just under 6% of the second-level option group (or 2% of all BTEA participants) were pursuing courses at or below Leaving Certificate level.

Almost 60% of participants were male and over 40% were female. The age profile of participants ranges from 18 years to over 60 years old. Among those entering the programme in 2011, just under 15% were aged less than 23 years old, 38% were aged 23-29 years old and 47% were aged 30 years and over.

Overall participation rates in BTEA for Irish and non-Irish people are similar. However, people from EUAC12 countries represent 9.4% of the LR but only represent 5% of the jobseekers BTEA participants. Conversely, non EU countries represent 3.1% of the LR but 8.2% of BTEA participants.

A final figure for the 2012/13 academic year is not yet available, as of the end of October 2012 there were 23,747 participants engaged with BTEA, over 91% originating from jobseeker's payments, while 34% are pursuing second level courses and 66% pursuing third level courses.

There is limited data on outcomes from BTEA but one possible way to analyse outcome is to track a participant's LR status post exit from BTEA. This is possible for those who initially qualified from jobseeker's payments and for some one parent family participants. Analysis of the relevant BTEA data on those originating from Live Register payments indicates that 60% of those who completed or dropped out of a course under BTEA at the end of the 2010-11 academic year had returned to the LR as at September 2012.

BTEA – Conclusions

As an activation programme, BTEA as currently designed can have the effect of 'lock in' for people, by providing, in some cases after relatively short periods on the LR, for dependency on SW payments for long

²⁸ Almost 1,500 people transferred from the second level option to the third level option under the scheme in 2011. This represents about one quarter of new entrants to the third level option.

²⁹ These data are based on LR participants who accounted for 88% of all BTEA participants in the 2011/12 academic year.

periods of time where no job search is required. This dependency, as noted earlier, can continue beyond the duration of underlying entitlement to the participant's original jobseeker's payment. The courses covered by the scheme are provided on an academic year basis, rather than providing for intake across the year – which would be more in line with the activation needs of unemployed people.

Access to BTEA is essentially by self-referral, rather than as part of any process where clients agree with DSP that it is the most suitable intervention for them with a view to progressing towards employment. Such a judgement/agreement could be based on the client's circumstances and on actual and expected labour market conditions (as identified, for example by the expert group on future skills needs).

The data suggests that return to the Live Register after completion of courses under BTEA is high – over 60% for those who completed or dropped out of a course at the end of the 2010-11 academic year.

The scheme also needs to be considered in terms of its interaction with other student supports.

The main other source of public income support for persons attending further and higher education is the means-tested Department of Education and Skills (DES) student grant scheme. For a person with no means and classified as non-adjacent i.e. lives more than 45km from the college being attended, the maximum maintenance student grant is €3,025. The adjacent rate payable is €1,215.

A further special rate amount is available to certain cohorts who are in receipt of the maintenance element of the student grant, and have reckonable income less than €22,703 which must include an eligible long term payment prescribed under the scheme. When the addition of the special rate is considered the maximum payment for non-adjacent eligible students could rise to €5,915 and the adjacent rate could rise to €2,375. Based on a 36 week academic year, the higher rates are equivalent to €164 per week and €66 per week, while the student grant exclusive of the special rate equates to €84 per week and €34 per week, respectively.

The Department of Education and Skills believe only 27% of eligible students receive the special rate and this is spread across adjacent and non-adjacent eligible students. Grant recipients (other than mature students) are excluded from job seekers' payments during the summer months.

The standard payments under BTEA are therefore in the main, substantially in excess of the maximum rates paid under the main student support scheme.

As BTEA expenditure has risen (from €64 million in 2007 to €199 million in 2011) it has grown in significance relative to other forms of support. It is estimated, for example, that 6,400 people entered undergraduate third-level studies with BTEA support in 2011; this represents about 16% of all entrants to undergraduate studies. Somewhat over 20% of all participants on PLC courses are also being supported under BTEA (as compared with 30%+ being supported under the student grant scheme).

Particularly for those at the younger end of the age distribution of participants, there is a risk that BTEA may come to be seen as an alternative funding stream for traditional access to further and higher education courses. This would involve substantial associated costs for the Exchequer as BTEA is relatively expensive in comparison to other options such as the student grant system.

BTEA – recommendations

The conclusions reached above lead to a number of recommendations on BTEA;

- While the 3 month eligibility period for second level courses should be retained this should only apply to those pursuing second chance education leading to a leaving certificate qualification or below. Post Leaving Certificate further education courses should be subject to the same 9 month eligibility period as third level courses.
- The general minimum age requirement for entry to BTEA should be raised from 21 years to 23 years of age.
- For those pursuing second chance education leading to a leaving certificate qualification or below, the current age requirement should remain – i.e., over 21 years, or aged between 18 and 20 and out of formal education for at least 2 years.
- In line with other activation schemes BTEA jobseekers participants should establish an underlying entitlement to JA prior to qualifying for BTEA. Currently, BTEA recipients do not have to be HRC compliant. The introduction of having an underlying entitlement to JA will address this anomaly.
- There should be a requirement to re-qualify for BTEA by establishing an entitlement to a SW payment for those who complete a course and wish to progress to a higher level course. The practice of ‘freezing’ JB while on BTEA should also be discontinued in conjunction with this change.
- The practice of maxing up payments for participants on means reduced payments should be discontinued and only the underlying social welfare entitlement should be paid to participant where an entitlement exists
- The current rule of allowing spouses to apply for BTEA based on their spouse’s primary payment, with the possibility of both spouses receiving a maximum payment, should be reviewed in the context of the Department’s moves towards a single working age payment.
- A review of IT systems should be carried out to ensure that detailed data analysis is possible. The current situation of having participants recorded across three IT systems is not ideal. The ‘TLA’ system should be updated and integrated into ISTS system in the short term while new systems are being developed.
- The scheme guidelines should be revised to ensure the BTEA is treated consistently across the various qualifying payments.

- As case management and client profiling is developed DSP should take on more active discretion on what clients access BTEA, This would involve assessing the likely contribution courses will make to the client's re-employment chances, given the client's own background and local and national labour market conditions.
- In this context, with a view to moving towards a more targeted scheme, attendance on shorter term, accelerated and conversion courses which are more suitable to some cohorts on the LR could be allowed via BTEA.

Looking forward in conjunction with the roll out of *Profiling and Case Management* where DSP has taken a more active role in identifying an individual client's need (based on being profiled as likely to remain unemployed for long periods), provision should be made for relaxing the eligibility period for BTEA. It should also be possible in these circumstances for the progression requirement to be waived by a case manager who felt the most appropriate course for a person was one of a lower level than that already held or immediate access to a course was necessary.

C.2 Part-time Education Option (PTEO) and Education Training and Development Option (ET&D) – comparison with activation criteria

1. Scheme description

Both the Part Time Education Option (PTEO) and the Education, Training and Development (ET&D) are designed to facilitate jobseekers who wish to engage in part time day, evening or weekend courses or more intensive short duration courses of education and training while retaining their jobseeker's payments.

The PTEO allows participants to attend part-time day/evening or weekend courses of education or training and retain their jobseeker's payment while an entitlement exists provided that they continue to satisfy the conditions of being available for and genuinely seeking employment on an on-going basis. Payment is made at the same rate as the primary payment and no maximisation of payments occurs.

The ET&D allows participants to attend certain courses of education, training or development of short duration and retain their jobseeker's payment while an entitlement exists. Participants are exempt from engaging in job search but must be available for employment should an opportunity arise.

It is not possible to identify accurately the cost of these schemes; these are included in the overall cost of the relevant primary payment schemes.

2. Eligibility conditions

There is no age or duration of unemployment eligibility criteria attached to PTEO while a person must be six months unemployed and over 21 years of age to qualify for ET&D. The principle of progression which is a fundamental principle of BTEA does not apply to either PTEO or ET&D.

A case officer must approve all ET&D courses. For courses initiated and organised by case officers participants may be entitled to 'out of pocket expenses'³⁰ for the duration of the course.

3. Geographic distribution of opportunities

As both schemes have self selection characteristics and participants must be in receipt of jobseeker's payments, participants are spread throughout the country.

³⁰ Out of Pocket Expenses are paid at a weekly rate of €32.00 for those in receipt of a jobseeker's payment who agree to attend a course of study/training for three days or more per week. The rate is reduced to €20.00 for courses of two days per week or less.

4. Recruitment process

PTEO is self selecting in nature, while ET&D may be initiated by a case officer or a person may approach an officer with a suggested course for their approval. In any event, the case officer must approve all ET&D courses and be satisfied the course will enhance the employability prospects of the participant.

5. Relationship of DSP to the projects/participants

The Regional Support Unit (RSU) and Employment Support Services (ESS) sections provide a central support for the administration of both schemes including formulating policy, customer support and providing guidelines. All persons pursuing part time courses should notify the Department of their intention to do so and supply details of the course. If a Deciding officer is satisfied that the course is appropriate to PTEO the PTEO code will be inserted on the IT system. The participant must continue in job search while pursuing the part time course.

Decisions on the ET&D are approved by the case officers and files are maintained in relevant local offices. The ET&D participant is exempt from job search for the duration of the course. The case officer may engage with the participant during and after the course. If out of pocket expenses are claimed proof of attendance will be required by the officer.

6. Pay rates and conditions

Participants on both PTEO and ET&D continue to receive their jobseeker's payment while an entitlement exists and maximisation does not occur. PTEO participants must satisfy the condition of being available for and genuinely seeking employment and PTEO does not involve any extra allowance. ET&D participants are exempt from job search. Participants on ET&D courses initiated by case officers may be eligible for out of pocket expenses.

7. Duration of participation

There is no limit to the duration a person may pursue part time courses under the PTEO, while ET&D courses are usually of short duration (although there is no precise definition of "short duration" in the ET&D guidelines). Courses allowed under PTEO in recent years have also diverged from its defined objective. PTEO is under increasing pressure to accommodate short term full times courses and longer duration part time courses at all qualification levels.

8. Performance

Data on number of participants is weak for both schemes. While it is possible to say that in December 2011 there were 3,292 persons reported as being supported under PTEO and 174 under ET&D this does not reflect the numbers supported throughout the year.

Centrally-held data on both schemes are poor. There are no data on types of course, duration of payment, colleges attended, qualification received or impacts of the scheme in getting people back to employment. Current IT systems do not provide for capture of these data.

IT systems aside, the reliability of data capture and input at the local level is also of concern. The unreliability of data may be due to a number of factors (including inconsistency in entering the appropriate codes in local offices, as well as cases where people pursuing part time courses are unaware they should notify the Department). As a result there is under reporting of assistance afforded to DSP clients in terms of education and training via these two options.

PTEO/ET&D – Conclusions

These two schemes are similar in nature, supporting unemployed persons to pursue short courses, and the need for the existence of two schemes in this area is questionable. Awareness of the need to differentiate between the primary payment and these schemes is weak at local office level, and therefore coding of participants on the appropriate IT system is often not completed and consequently data is weak in this area. This has the effect of under reporting assistance afforded to large numbers of DSP clients.

The definition of what constitutes a part-time course is not readily available. This leads to confusion as to what courses should be allowed under PTEO. The PTEO scheme is being increasingly used for courses under new initiatives in Department of Education and Skills, such as Labour Market Activation Fund, Springboard etc; treating these programmes as part-time is stretching this definition beyond its limits in certain cases.

PTEO/ET&D – recommendations

Given that these schemes are so similar in terms of interventions supplied, consideration should be given to amalgamating them to provide coherent guidance on when people can continue to receive jobseeker's payments while engaging in education.

Any new scheme should distinguish between part-time education – which does not affect the participant's job search and availability – and short full-time courses. It is recommended that the Department should, in consultation with the Department of Education and Skills, set out clear guidelines on what patterns of part-

time education (e.g. evening, weekend, etc) are consistent with meeting the conditions for jobseeker's payments. Where courses are full time, and thus require the participant to be granted an exemption from the job-search requirements, clear guidance should be given on the permitted duration of participation (e.g. number of days or weeks).

As at present, attending part-time courses should be permitted without any requirement as to prior duration of receipt of the relevant jobseeker's payment. Consideration could be given to having a prior duration requirement before permitting attendance at full-time courses. Alternatively, as case management and profiling of customers is rolled out by the Department, full-time courses should only be available to clients on direction of their case manager.

The policy of paying out of pocket expenses as currently exists should be discontinued. The out of pocket expenses budget should amalgamate with TESH/TATs and form part of a discretionary fund available to case managers as case management and client profiling is developed within the Department. Any supports of this nature should be paid at a flat rate of €20 per week and should only be paid where case managers believe it is unreasonable for the client to attend a recommended course in the absence of such allowance.

Systems and procedures should be developed, and implemented consistently, to capture adequate data to report on the extent of utilisation of these options and to provide for their evaluation.

C.3 Activation and Family Support Programme (AFSP) – comparison with activation criteria

1. Scheme description

The AFSP allows the Department to provide funding to assist local organisations and agencies to implement projects addressing the disadvantaged personal, social and economic circumstances of recipients of welfare payments and their families, to enhance their employability through education, training and personal development opportunities and to improve their quality of life. Projects are generally of short duration. AFSP may support people under initiatives and programmes that are wholly funded by AFSP or part funded in association with other agencies and Bodies. Table 3.8 below outlines numbers supported and expenditure since 2008.

Table 3.8 – AFSP numbers and expenditure

Year*	2008	2009	2010	2011
Expenditure In €m	5.48	4.81	3.95	2.82
Number of Participants	16,381	15,165	10,000	8,523

*Programme launched in January 2008

Note: AFSP is primarily involved in supporting training & educational programmes. It can also support information events for DSP clients which tend to overstate the numbers supported vis-a-vis the expenditure.

2. Eligibility conditions

The Activation and Family Support Programme (AFSP) allows the Department to provide funding to assist local organisations and agencies to implement projects addressing the disadvantaged personal, social and economic circumstances of recipients of welfare payments and their families, to enhance their employability through education, training and personal development opportunities and to improve their quality of life. AFSP may support people under initiatives and programmes that are wholly funded by AFSP or part funded in association with other agencies and Bodies.

All participants who are supported by AFSP projects must be in receipt of a social welfare payment or must be the dependent of a social welfare recipient and/or their families. Qualifying payments include jobseeker's payments, one parent family and illness related payments among others. There are no specific criteria in relation to age or duration in receipt of payment attached to the scheme. Participants do not receive extra allowances or maximisation of payment but may qualify for out of pocket expenses if the course is initiated by a case officer

It is designed to fund once off projects. Funding applications come from a wide range of organisations including family resource centres, IDCs, community development companies and advocacy groups. The fund can also be used to assist individuals.

3. Geographic distribution of opportunities

The distribution of AFSP funds is largely responsive in that as needs are identified by case officers, local organisations and agencies. There was considerable variation in the level of regional expenditure³¹ in 2011. The South and South East regions accounted for the majority of expenditure with 26% and 21 %. The Western, Border and Dublin South had similar expenditure with 16%, 14% and 12% respectively, while Dublin North and the Midland Regions account for only 4% and 7%. This distribution is not directly linked to LR representation in these areas which would suggest uneven engagement in certain regions.

Provisional figures indicate 8,523 participants were supported via AFSP in 2011. The Border and South East regions account for the highest number of participants with 31% and 25% respectively. As with expenditure the Midlands and Dublin North account for the least with 3% and 5% respectively.

4. Recruitment process

Funding is generally to projects rather than to individuals; those taking part may be recruited with the involvement of the Department, or directly by the project organisers.

Case Officers work with social welfare recipients to identify appropriate training or development programmes which will enhance the skills that the individual has and ultimately improve their employment chances, as well as help them to continue to develop personally. They work in close co-operation with other agencies and service providers including VECs, Area Partnerships, the Local Employment Service, FÁS other education and training providers and the local and community and voluntary sector.

Decisions in respect of applications which involve expenditure up to €5,000 are made by Regional Coordinators while expenditure in excess of €5,000 requires approval from ESS.

5. Relationship of DSP to the projects/participants

Funding applicants, (a wide variety of primarily local organisations including IDCs, advocacy groups, community development groups, local VECs, and Family Resource Centres) submit applications to case officers. Case Officers monitor participant's progress periodically throughout the programme and records of attendance must be forwarded to facilitators by course providers.

³¹ Provisional expenditure figure for 2011 is €2.7m

6. Pay rates and conditions

Participants do not receive extra allowances or maximisation of payment but may qualify for out of pocket expenses if the course is initiated by a case officer. While participants are exempt from job search while on courses they are expected to accept offers of employment, should they arise.

7. Duration of participation

Courses vary in duration but are predominantly short in nature.

8. Performance

In the region of 8,500 participants were supported via AFSP in 2011. As of October 2012 there have been 5,019 supported via AFSP in the current year.

Course providers must complete course evaluations on completion of courses which are forwarded to case officers and ESS section. Evaluations should, among others, record data on the number of participants starting/completing the courses including PPS numbers and progression to employment or self-employment where applicable. No work has been carried out on analysing this data centrally but case officers will be aware of evaluation results and will base future decisions on courses and other projects based on this.

The budget allocation is consistently underspent on AFSP. Take up of the scheme varies greatly across the country with some areas not accessing AFSP with any consistency or vigour. There is a perceived administration burden associated with the scheme which may dissuade applications. As the work load of case managers is ever increasing accessing time to initiate programmes is becoming more difficult.

AFSP – Conclusions

AFSP is a relatively new scheme and differs from other activation schemes in DSP in a number of ways. AFSP funds contribute towards once off programmes and events for DSP clients where a demand exists which cannot be accommodated by existing programmes. As the scheme is often directed towards more disadvantaged clients progression to employment may not always be a realistic expectation. However, some programmes funded by AFSP may be a first step for DSP clients and may facilitate progression in training and education and for this reason AFSP does have a place in the suite of activation programmes within the Department.

AFSP is a discretionary fund and is often combined with other public bodies to jointly fund community projects. This availability of discretionary funds is seen as an important tool in case officers' armoury when dealing with other funding agencies. This ability to make financial contributions affords DSP some discretion in programmes choice and design for its clients and the communities in which they live.

On smaller-scale education/training interventions, the programme appears to have a significant level of overlap with the type of interventions funded under TESS/TATS. Equally, many of the interventions funded are managed by other public agencies (mainly VECs, IDCs) or NGOs. Here, there may be significant overlap with provision under the Department of Education and Skills' (DES) Back to Education Initiative and the Community Education Programme; both of these provide funding support for community-based education.

AFSP is sometimes used for part funding jobs fairs and similar one day events which tend to skew the data on numbers supported via AFSP.

The regional diversity in expenditure and the related under-spend appears to be due to varying administrative approaches across regions rather than reflecting diversity in terms of need.

AFSP – recommendations

While AFSP is useful as a training and education support to enhance people's circumstances and improve their quality of life, it is targeted at some of the most disadvantaged DSP clients and progression to employment may not be a realistic outcome from this intervention.

It is recommended that AFSP be retained as a flexible fund to support once-off innovative projects only. Where interventions are felt to have shown themselves to be worthwhile, further funding for their continuation should be delivered through the relevant DES programmes (for community education projects). As SOLAS and LETBs evolve capacity to mainstream successful pilots should be developed. It would be envisaged that such projects could accept referrals from DSP case managers.

Funding and outcome data for one-day events such as job fairs should be recorded separately.

The reasons for regional diversity in expenditure and the related under-spend need to be explored and addressed in more detail at scheme level. They may be as a result of administration burden or perhaps due to the time case officers have available to devote to developing such schemes.

C.4 TESH (Technical Employment Support Grant) and TATS (Technical Assistance and Training scheme) – comparison with activation criteria

1. Scheme descriptions

Both TESH and TATS are designed to allow DSP to offer flexible additional help (in the form of access to training, advice, or support for the purchase of certain goods and services) to a number of categories of unemployed people.

TESH support can be for purchase of training (where this cannot be provided by a state provider within a reasonable time) or for certain other expenditures such as purchase of tools, travel costs to job interviews. Training, with limited exceptions, must be on certified courses.

TATS is more focused on jobseekers with an interest in self-employment, and can assist with the purchase of training/education/mentoring, equipment, advertising, and public liability insurance. The range of training eligible for support is wider than on TESH, with less emphasis on certification.

Tables 3.9 and 3.10 outline numbers supported and expenditure for both schemes over the past five years.

Table 3.9 – TATS numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	3.02	3.03	3.52	4.79	3.16
Number of Participants	5,633	6,071	7,612	10,654	6,958

Table 3.10 – TESH numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	2.87	3.11	5.81	5.57	3.13
Number of Participants	5,000	5,400	9,777	10,285	9,855

2. Eligibility conditions

Both TESH and TATS are designed to allow DSP to offer flexible targeted additional help (in the form of access to training, advice, or support for the purchase of certain goods and services) to a number of categories of unemployed people.

TESG can be made available to jobseekers who have registered with the Employment Service and undertaken a guidance process leading to an agreed career plan, and who are in receipt of certain specified welfare payments.³² Support can be for purchase of training (where this cannot be provided by a state provider within a reasonable time) or for certain other expenditures such as purchase of tools, travel costs to job interviews. Training, with limited exceptions, must be on certified courses.

TATS was initially restricted to people who have moved from mainstream welfare payments to set up in business under the Back to Work Enterprise Allowance scheme; it was subsequently extended to “other social welfare customers ... who may require training or assistance to enter or re-enter the labour market or who may be trying to establish an enterprise and need training or other supports”. Support can be for the purchase of training/education/mentoring, equipment, advertising, and public liability insurance (PLI – where support is limited to 50% of the cost or €1,270, whichever is the lesser). The range of training eligible for support is wider than on TESG, with less emphasis on certification.

3. Geographic distribution of opportunities

TESG support was widely distributed in 2011, but there were regional variations. Overall, just over 30 grants were approved per 1,000 people on the LR. The ratio in most regions was close to this average; exceptions were the South East, where approval levels were high (55 per 1,000) and the South West (20 per 1,000) and particularly the Midlands (12 per 1,000) where approvals were relatively low.

There is less regional variation in the distribution of TATs grants. Overall, just over 16 grants were approved per 1,000 people on the LR in 2011. The ratio ranged from a low of 11 per 1,000 in the Midlands to a high of 19 per 1,000 in the West region.

4. Recruitment process

TESG can be made available to jobseekers who have registered with the Employment Service and undertaken a guidance process leading to an agreed career plan. It is used only where an ES officer identifies that the jobseeker has a support need in order to enter/re-enter the labour market, and that this need cannot be met by FÁS or another state provider within a two month period or at a location convenient to the jobseeker. The majority of those supported under TESG in 2011 were either people referred to the Employment Service under the NEAP (60%), Local Employment Service clients (10%) or persons case loaded as a result of company closures (6%). Virtually all of the remainder (20%) were recipients of jobseeker’s payments who had not yet been case loaded at the date of applying for TESG.

³² Primarily jobseeker’s and lone parent payments as well as payments related to disability and long-term illness. A full list is given in the TESG note in the Annex.

The original target group for TATS – those starting their own business under BTWEA – were in a minority among participants by early 2010; in the first half of that year 24% of recipients were on BTW, 70% were on jobseeker's payments and on the LR, and the remainder were on lone parents' (3%) or disability (2%) payments. Management and budgetary control on TATS was regionalised in late 2010, since when the focus of the scheme on supporting BTW participants has been reinforced. The partial regional data available for 2011 indicate that BTW participants accounted for a majority of TATS grants paid in that year.

Even with TATS becoming more focused on the original BTW target group, there remains a substantial overlap between the two schemes in terms of the population served.

5. Relationship of DSP to the projects/participants

Monitoring of both TESSG and TATS is focused on verifying that the service involved has in fact been delivered to the participant and that payment of the supplier invoice by DSP is warranted. In the case of TESSG, where the intervention relates to training, it is a condition of payment that the participant undertook the full assessment associated with the course.

In each case, receipt of support under the scheme is not seen as impacting on the participant's job search or availability for work. Training interventions supported are almost invariably part-time (specified under TESSG to be in the evening or at weekends); any full-time training supported is generally of only a few days duration.

6. Pay rates and conditions

The upper limit on grants under TESSG is €500 for training and €250 for other supports.³³ The upper limit on TATS is €1,000 (or €1,270 for PLI).

Both schemes are designed to address barriers to the participant's progression to employment.

7. Duration of participation

As noted above, the programmes do not affect the participant's job search or availability for work.

³³ A very small number of clients who are being supported under the High Support Process (HSP) may be grant aided up to €2,500 under TESSG. HSP is used where a client is experiencing *extreme* barriers in entering the labour market such as literacy or numeracy problems, health related issues or substance abuse etc and involves multi-agency teams currently involved in the provision of services to the identified client group. APs in each Region are responsible for ensuring that Multi-Agency Teams are in place. There were 38 HSP clients aided in 2011 (0.3% of all TESSG grants).

8. Performance

Some 13,700 TESH applications were approved for 2011. Virtually all of these were for purchase of training. Not all applications approved are availed of, perhaps where a provider does not proceed with a planned course or the Jobseeker's circumstances change.

Almost 7,000 grants were paid out under TATS in 2011. About 4,400 were for training/education, 1,400 were for equipment, 650 for advertising and 630 for public liability insurance.

As of the end of October 2012 10,267 TESH grants have been awarded, while 5,999 TATs grants have been awarded.

Many of the training courses delivered under TESH and TATs are short duration and may be a stepping stone to further education. Outcome data is unavailable for TESH and TATs beneficiaries. Instances occur where a DSP customer may approach DSP with a job offer but need a specific piece of training in order to access that job. TESH or TATs may fund such training in the knowledge that an immediate outcome of employment will result.

TESH and TATS – conclusions& recommendations

These two schemes have been useful in allowing officers to respond quickly and flexibly in addressing barriers to re-employment for jobseeker clients. The training stream is important to DSP in that it affords discretion to case officers in providing some short training which they feel will enhance client's job prospects, while the enterprise support stream is seen as a valuable assistance to those supported under the Department's Back to Work Schemes particularly in the initial years of self employment. Both schemes are relatively low cost in terms of the interventions they support. There is, however, considerable overlap between the schemes, which has become more evident as both schemes are now within the remit of DSP. Initial recommendations are;

1. Given the extent of similarity between the two schemes, it recommended that they should be amalgamated.
2. The amalgamated scheme should have two strands – one for enterprise supports for those starting businesses under BTW, and the other being for certified training and for other job-search supports for other jobseeker welfare recipients
3. The flexibility to offer additional support for the small number of HSP clients should be retained.
4. The new scheme should continue to cover the wider range of short-duration mentoring interventions currently covered by TATS (e.g. training in CV and interview preparation).

5. The IT system currently in use for TESG should be adapted for use for the new overall scheme.

Based on these draft recommendations the Department requested an official to review both schemes in detail with a view to exploring the best route to implement such recommendations if it found the recommendations to be practical. Work on this review is nearing completion.

C.5 General conclusions on programmes supporting participation in education/ training

Expenditure by DSP on supporting jobseeker clients in undertaking education and training has expanded rapidly in recent years. The cost to the DSP budget of BTEA has now reached €200 million, and it is likely that the cost of other provisions such as PTEO and ET&D, though not well identified, are substantial and growing.³⁴ Overall costs of education programme provision for DSP supported unemployed persons are not available, but are likely to be significant given the numbers now involved.

As with work programmes, education/training measures are a common element as part of activation interventions across countries. Evidence reviewed by OECD³⁵ suggests that labour market training provides the best long-run return of any active labour market programmes, but that a number of factors need to be borne in mind in considering the contribution of education/training under conditions of continuing high unemployment:

- Training rather than “work first” can have negative effects on return to employment in the short run because of “lock in” effects. These “lock in” effects are however likely to be of less significance in a period of high unemployment
- Training and return-to-education schemes are relatively high-cost, particularly those of longer duration
- With continuing high unemployment it could be argued that the main problem for the Irish labour market continues to be on the demand side rather than the supply side. As a result, employment outcomes from training interventions are likely to remain weak for some time to come

The recommendations made in relation to these schemes are designed to address these factors. In particular, the recommendations in relation to eligibility conditions and an enhanced role for DSP in the process by which clients gain access to programmes are designed to reduce the possibility of “lock-in” effects having a negative effect on return to employment. This is of importance given the relatively long duration of the typical course being supported under the Department’s programmes.

³⁴ By comparison, income maintenance (paid directly by FÁS rather than DSP) for unemployed people referred to standard short-duration skills courses for unemployed people in FÁS was budgeted at €80 million in 2011.

³⁵ OECD (2006). *OECD Employment Outlook*, Chapter 3. Paris: OECD

One cross-cutting issue that arises is the need to consider allowing certain shorter duration courses such as *short term full time* and certain *accelerated* courses be eligible for BTEA (as an alternative to further blurring of the definition of “part-time” under PTEO), provided they are providing education in areas where labour shortage exists. This could have the effect of increasing the throughput through education courses supported by BTEA and making DSP clients job ready over a shorter period of time which should subsequently realise savings for the Department. Changes regarding course type supported and possible relaxation of the progression rules for BTEA may be best approached on a pilot basis to allow early evaluation before major policy changes. For example this would allow outcome comparison between standard type and accelerated courses and standard courses and those where employers are central to the design and contain work placement elements.

D. Programmes supporting self-employment/enterprise

D.1 Back to Work Enterprise Allowance (BTWEA) and Short-term Enterprise Allowance (STEA) – comparison with activation criteria

1. Scheme description

The main purpose of the BTWEA is to encourage the long term unemployed, lone parents, people with disabilities and other social welfare recipients to engage with self employment. It is available to a person, who has been on a qualifying social welfare payment for some time, to develop a business while retaining a reducing proportion of their qualifying social welfare payment over two years, along with secondary benefits.

The STEA is payable to a person who qualifies for Jobseeker's Benefit (JB) and who wishes to commence in self employment. This allowance may be availed of immediately after commencing on Jobseeker's Benefit, and is payable for the duration (and at the rate of) the underlying JB entitlement.

To qualify for the BTWEA or STEA a person must set up a self-employment business that has been approved by a Partnership Company or one of the Department's Case Officers. The business venture must be deemed to be viable and sustainable.

Table 3.11 outline numbers supported and expenditure since the schemes were introduced in 2009.

Table 3.11 BTWEA & STEA numbers and expenditure

Year*	2009	2010	2011
Expenditure In €m**	76.43	87.96	114.58
Number of Participants on BTWEA	4,591	7,958	10,751
Number of Participants on STEA	1,152	1,364	1,294

*Revised Back to Work Enterprise Allowance and the Short Term Enterprise Allowance schemes were launched in May 2009

**Expenditure is combined for BTWEA & STEA and a residual relation to the old BTW scheme.

2. Eligibility conditions

The Back to Work Enterprise Allowance (BTWEA) is targeted at a broad range of social welfare recipients who satisfy the qualification criteria. The scheme is available to jobseekers, one parent families and people on various illness related payment. Jobseekers must be 12 months on the LR and in receipt of JB or JA to qualify. A person on JB must have an underlying entitlement to JA. Persons included as qualified adults on

a social welfare payment cannot access BTWEA in their own right. Casual signers with 312 days on the LR and an underlying entitlement to JA may also be eligible.

The Short Term Enterprise Allowance (STEA) is a narrowly targeted scheme available only to people in receipt of JB who wish to engage in self employment. There is no minimum eligibility period attached to the scheme, once a person is in receipt of JB they may apply immediately for STEA. A dependent adult on a JB claim is not eligible for STEA.

For both schemes the proposed business must be approved by an IDC or one of the Department's case Officers. The business venture must be deemed to be viable, sustainable and not have potential to displace existing businesses.

3. Geographic distribution of opportunities

Both BTWEA and STEA places are dispersed across the entire country. Dublin represents the highest concentration of BTWEA participants with 25%, followed by Cork with 10% and Galway with 7%. There are 9 counties with between 3% and 4%; Limerick, Kerry, Tipperary, Waterford, Louth, Meath, Kildare, Wicklow and Donegal. A further 9 counties have low engagement with BTWEA and represent less than 2% of participants; Monaghan, Cavan, Leitrim, Roscommon, Sligo, Carlow, Laois, Longford and Offaly.

Dublin also represents the highest concentration of STEA participants with over 34%, followed by Cork with 9% and Galway with 6%. There are 7 counties with between 3% and 4%; Limerick, Clare, Tipperary, Waterford, Meath, Wicklow and Kildare. Counties Leitrim, Cavan, Longford and Monaghan have less than 1% engagement with STEA.

4. Recruitment process

The recruitment process for both schemes is similar. An eligible person with a proposed business idea will in the first instance contact their facilitator or Local Development Company to discuss their proposal. If the facilitator and/or Local Development Company deem the proposal to be viable, sustainable and not likely to displace similar type business in the area they may make a recommendation to DSP to approve the application subject to satisfying the remaining eligibility criteria.

Claims are checked by DSP to ensure that all qualifying conditions have been met and necessary details have been provided including a copy of the business plan, financial projections and documentary proof of registration with the Revenue Commissioners.

5. Relationship of DSP to the projects/participants

The Employment Support Services section formulates policy and provides central support for both schemes. All BTWEA cases are reviewed 12 months after award, while STEA is paid for a maximum of 12 months.

As participants are paid predominantly *via* EFT there is no requirement for regular interaction with the Department. However, case officers and Local Development Companies may have interactions with the participants periodically throughout the year depending on the participant and the nature of the business. Participants are exempt from job search while engaged with both schemes.

6. Pay rates and conditions

Participants on BTWEA receive a standard weekly rate of payment equivalent of the rate of the Social Welfare payment they were in receipt of prior to participation in the scheme in year one, reducing to 75% in year two. A participant must have an underlying entitlement to JA and BTWEA rate of payment is based on the JA rate. STEA participants receive a standard JB weekly rate of payment until such time as entitlement to JB exhausts.

Increases in respect of dependant spouse and/or children continue to be paid while secondary benefits may continue to be paid subject to satisfying the relevant conditions. Qualified adults are free to take up insurable employment without affecting payment for both schemes. However, a qualified adult claiming Social Welfare in his/her own right or taking up Community Employment will result in payment being reduced accordingly.

Currently, BTWEA scheme guidelines do not adequately deal with the issue of part time employment while on the scheme. Anecdotal evidence suggests some case officers allow participants to engage in part-time employment with their approval while on BTWEA, while others do not. An STEA participant is not allowed enter into paid employment as an employee either in a full-time or part-time capacity while in receipt of STEA.

Participants on both schemes can avail of employment grants from a County Enterprise Board (CEB) or from LEADER companies without affecting their entitlement. All participants are automatically sent an application form for JA on completion of the scheme.

7. Duration of participation

BTWEA is paid for a two year period on a reducing basis; 100% in year one and 75% in year two, while STEA is payable for a maximum of 12 months or until JB payments exhaust.

8. Performance

There were 10,751 supported under the BTWEA in 2011, of which over 5,600 were new awards in 2011. Male participants account for 78% of all participants while female account for 22%. Almost 42% supported are aged under 35 years, while 46% are aged between 35 to 50 years old. Almost 95% of participants

originate from jobseeker's payments, with 3% formerly on one parent family payments and the remaining 7% originating from illness related payments.

On 31st December 2011 there were 1,294 supported under STEA, 74% male and 26% female. Almost 39% supported are aged under 35 years, while 48% are aged between 35 to 50 years old. As the maximum duration payable on STEA is 12 months, all participants above were awarded in 2011. There were 1,364 participants on the scheme at 31st December 2010. All participants originate from JB payments.

As of the end of October 2012 there were 10,919 engaged with BTWEA and 1,131 engaged with STEA.

Participants are recorded across a number of systems in the Department. Data on the number of participants, age and geographic location is available. The main method of analysing outputs and outcomes is by tracking participant's status on LR extracts post completion of the scheme. This type of analysis is possible for all STEA participants and a majority of BTWEA participants as BTWEA is available to non LR schemes.

Examination of a sample of BTWEA participants from December 2009 compared against an LR extract from February 2012 showed 50% were no longer attached to the LR. A similar exercise for STEA participants indicated 80% were no longer attached to the LR.

There is no requirement for a person to notify the Department of the status of their business on completion of either scheme. The Department does not survey those who leave the scheme to try to ascertain data. Despite gathering data on type of business being pursued there are no records kept as IT systems will not accommodate recording of such data.

BTWEA/STEA – Conclusions

The BTWEA and STEA have been in existence since May 2009 when they replaced the old four year enterprise allowance and the Back to Work Employee Scheme. In order to respond effectively to the growing numbers on the Live Register and the continuing contraction in employment, it was decided in the Supplementary Budget of the 7th April 2009 to refocus resources on the enterprise strand of the Back to Work Allowance which supports people into self employment.

Supports for self-employment clearly have a role to play as one option for unemployed people, and it likely that in current conditions there is a greater pool of people, among the unemployed, with the skills and experience that would make them candidates for such support.

It should also be noted that DSP support for self employment is not limited to BTWEA and STEA. Persons engaged in self employment are entitled to apply for JA. All means including that derived from self employment is assessed and where appropriate JA can be paid.

However, information on outcomes from the schemes is limited, and there is limited interaction between participants and DSP while they are on the schemes.

BTWEA/STEA – recommendations

- Once awarded, interaction between the Department and the participants on enterprise support schemes should be more structured and regular. This would have the dual benefit of affording more assistance and support to participants and also increasing controls on both the BTWEA and STEA. Financial statements to prove a *bone fide* business is being carried out should be supplied. Appropriate risk analysis systems should be developed in conjunction with SIU to improve control activity.
- Consideration should be given to introducing a mentoring element to both programmes. Advice from experienced entrepreneurs could prove to be a valuable asset to a person starting out on their self-employment venture.
- DSP should meet with Department of Environment, Community and Local Government and Pobal to agree parameters to be applied consistently in approving applications. LDCs have the necessary expertise to examine business proposals and recommend a decision but the approaches adopted are not always consistent.
- IT systems should be developed to allow the central recording and analysis of data on the nature of businesses supported under BTWEA and STEA and to record business success/failure. IT systems should also allow separate budgets to be held for each back to work scheme.
- The treatment of change of circumstances of a QA of a BTWEA participants should be reviewed to ensure means are fairly and correctly assessed
- Participants should not be allowed to pursue part time or temporary employment while engaged with the schemes. If DSP is supporting clients to start up and pursue their own business the clients should be devoting 100% of their time to that business to ensure they give it every chance to succeed.
- Consideration should be given to allowing people who may have started a part time business prior to becoming unemployed to receive support under the BTWEA. The business would not have to be started after becoming unemployed

D.2 Credit union loan guarantee scheme – comparison with activation criteria

1. Scheme description

The Credit Union Loan Guarantee Scheme is available to BTWEA participants who approach DSP for assistance in obtaining credit. It is a support in assisting those furthest from the work force who cannot secure capital from regular banking institutions to access credit through credit unions. Table 3.12 outlines level of participation and expenditure in recent years.

Table 3.12 – Credit Union Loan Guarantee Fund numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	0	0	.006	.019	0
Number of Participants	0	0	1	4	0

2. Eligibility conditions

The Credit Union Loan Guarantee Scheme is a narrowly targeted scheme only available to persons who have been awarded the BTWEA. Under scheme conditions the Department will reimburse the loss to any credit union where an approved individual defaults on a loan guaranteed by the Department. In general loans up to the value of €6,350 will be guaranteed.

3. Geographic distribution of opportunities

There were no participants in 2011 so geographic distribution is not applicable.

4. Recruitment process

Each proposal will be vetted, and, if considered viable, the Department will act as guarantor for a loan from the Credit Union. Applicants must be interviewed by facilitators to ensure scheme conditions are satisfied and to ensure that the project being undertaken is viable and capable of generating sufficient income in order to meet repayments.

5. Relationship of DSP to the projects/participants

The case officer will assist the applicant to complete the application and liaise with the credit union regarding the need for the guarantee. When the regional coordinator is satisfied with the application a notice will issue to the credit union with all necessary documentation. Defaults on payments will be acted on immediately by credit unions and the case officer will be alerted of a possible charge against the fund. The

case officer will work closely with the credit union to reschedule payments for the applicant. If repayments are not resumed after 6 months the credit union can invoke the guarantee.

As payments only occur where participants default on loan repayments, no further output or outcome data is readily available.

6. Pay rates and conditions

Expenditure only occurs where a participant defaults on their credit union loan and the Department is then liable for this debt. A loan of an amount up to €6,350 from an individual credit union to a BTWEA recipient may be guaranteed by the Department.

7. Duration of participation

The duration of the guarantee will be for the period of repayment of the loan up to a 5 year maximum. The guarantee will cover outstanding principal and interest.

8. Performance

There was no take up of the scheme in 2011 or to date in 2012 and 4 people availed of the scheme in 2010.

Credit Union Loan Guarantee Scheme – Conclusions and recommendations

There has been minimal take up of this scheme in recent years. There were a total of 5 participants in 2009 and 2010 combined and there was no take up in 2007, 2008, and 2011. While there may be merit in schemes of this nature when access to credit for small and medium business is restricted, such a scheme is appropriate to the Department of Jobs, Enterprise and Innovation (DJEI). DJEI have announced a roll out of a temporary partial credit guarantee scheme and a micro finance fund as part of their action plan for jobs and this fund with an annual budget of €20,000 should be transferred with immediate effect.

E. Miscellaneous supports

E.1 Part Time Job Initiative (PTJI) – comparison with activation criteria

1. Scheme description

The Part-Time Job Incentive (PTJI) Scheme, run by the Department of Social Protection, is intended as a stepping stone to full-time work. It allows certain long-term unemployed people to take up part-time work and get a special weekly allowance instead of their jobseeker's payment. Recipients of the Part-Time Job Incentive Scheme must be available for and seeking full-time work while getting the payment. Table 3.13 outlines participants and expenditure in recent years.

Table 3.13 – PTJI numbers and expenditure

Year	2007	2008	2009	2010	2011
Expenditure In €m	1.32	1.32	1.45	1.16	1.03
Number of Participants	210	184	173	161	180

2. Eligibility conditions

The Part Time Job Initiative (PTJI) is a narrowly targeted scheme available to people who are long term unemployed in receipt of JA who take up part time employment for less than 24 hours per week. The JA rate must be higher than the PTJI supplement payable. Small holders or persons engaged in self employment are not eligible for the scheme. The employment must be insurable and involve working a maximum of 24hours per week. A person may have more than one job provided the total hours are less than 24.

The scheme historically attracts equal numbers of males and females. The majority of participants are aged over 45.

3. Geographic distribution of opportunities

PTJI places are dispersed across the country.

4. Recruitment process

The scheme is self selecting in nature. There is no restriction on the number of employees an employer can employ under the scheme.

5. Relationship of DSP to the projects/participants

There is no exemption from job search for full time employment while receiving PTJI. The scheme is operated at a SWLO level and there is evidence that monitoring varies by SWLO.

Take-up of PTJI has generally been low. This is primarily due to the introduction and improvements in alternative, more favourable employment support measures over the years, including Family Income Supplement (FIS) which provides support where low-income employees with children who work more than 19 hours per week or 38 hours per fortnight receive an in-work income support.

6. Pay rates and conditions

The PTJI allowance is paid to participants in lieu of their jobseeker's allowance. The current personal rate is €119 (€193.90 if an increase for qualified adult is paid) which is not affected by the earnings received from part time work. There are no increases in these rates for qualified children. Income from employment is taxable in the usual way.

7. Duration of participation

While participants may stay on the scheme for one year initially, this may be extended for further periods. There is no set upper restriction on how long participants may remain on PTJI.

8. Performance

It is estimated that there were 180 people availing of PTJI in 2011 which is an increase of 12% on the 2010 figure of 161. Most recent verified figures for 2012 show 193 participants engaged with PTJI.

PTJI – Conclusions

There is quite poor take up of this scheme; this may in part be due to limited awareness across the Department of the scheme's continued existence. PTJI offers a very similar support to casual employment supports and FIS and it is questionable if a rationale still exists for this scheme.

PTJI – recommendations

Given the poor take up and the recent amendments to FIS termination of the scheme should be considered. If retained, the scheme should be limited to 12 months only after which the participant should progress to employment. A restriction on the hourly rate should be introduced as currently the scheme may be utilized by high earners working shorter week

Periodic reviews of employers should be carried out to ensure more staff are not subsequently hired when the PTJI claimant could fill extra hours.

The payment system should be automated to reduce the administrative effort of manual payments in the SWLO/BO.

The requirement that a person be looking for fulltime employment should be retained.

E.2 Employer Job PRSI incentive scheme

1. Scheme description

The Employer Job PRSI Incentive Scheme was introduced in June 2010 to provide incentive to employers in the form of a PRSI holiday for the employer's portion of PRSI for any eligible employees hired. The employee must be unemployed for six months or more and the job must be new and additional. The scheme aims to support job creation and counter the drift of people into long-term unemployment and welfare dependency by cutting business input costs.

Table 3.14 – Employer Job PRSI Incentive numbers and expenditure

Year*	2010	2011
Expenditure	*	*
In €m		
Number of employees	1,202	923
Number of employers	736	660

*there is no budget line expenditure for this scheme as the costs materialise in the form of income forgone to the Social Insurance Fund,

2. Eligibility conditions

When launched in 2010, the scheme exempted employers from paying their portion of PRSI for a new eligible employee for 12 months and was time limited to the end of 2010. The job must be new and additional, be for at least 30 hours per week and last for at least six months. The employee must have been unemployed for six months or more to qualify as an eligible employee. An employer was limited to a maximum of 5% of their existing workforce or five employees, whichever is the greater.

The scheme was extended in 2011 in the context of the Budget and National Recovery Plan. In 2012 the scheme was simplified and further extended to the end of 2012. The period of exemption has been increased from 12 to 18 months for eligible employers who create jobs from 1 January 2012.

3. Geographic distribution of opportunities

Of over 1,500 applications received in 2011 almost 25% were received from Dublin with Cork accounting for over 13%. Counties; Limerick, Galway, Sligo, Donegal, Kildare, Clare and Wexford accounted for between 4% and 6% each. The remaining counties accounted for below 4% of applications each with Leitrim, Longford, Laois and Roscommon registering very low representation.

4. Recruitment process

The PRSI scheme differs to other schemes reviewed in this chapter as it supports the employer as opposed to the DSP client. Employers who are aware of the scheme may adjust their recruitment decision to recruit persons with an unemployment history where previously they may not have done so. An employee must be six months or more unemployed to qualify. The qualifying payments are Jobseeker's payments, one parent family and disability payments. When the scheme was extended in 2012 time spent on certain activation schemes may count towards the eligibility period and employers who offer full time employment opportunities to a JobBridge intern may avail of the scheme directly once the six month qualifying period is satisfied. DSP does not have a role in referring DSP clients to employers for this scheme as employers identify suitable candidates to satisfy their needs and if they are eligible under the scheme they may benefit from the PRSI exemption scheme.

5. Relationship of DSP to the projects/participants

Each application is checked by DSP to ensure the employee satisfies the conditions of the scheme - six or more unemployed and that the job is new and additional before an exemption is granted. Employers must also furnish proof to DSP that they are tax compliant.

As the exemption period nears conclusion, DSP communicates with employers to inform them that the appropriate PRSI rate should be paid from the expiry date of the exemption. Employers must sign and return a declaration to confirm they will pay the appropriate rate of PRSI from the agreed date. DSP also include a questionnaire to gather employers' views on the scheme and this helps to inform policy in this area.

6. Pay rates and conditions

Costs under the Employer Job (PRSI) Incentive scheme arise by way of social insurance income foregone. The amount of PRSI foregone will vary depending on the PRSI band that would have been paid in respect of the employee, ranging from 4.25% (reduced from 8.5% in July 2011) for those earning €356 or less to 10.75% for those earning in excess of €356.01 of gross pay.

Analysis of wage data for the scheme for 2010 and 2011 showed the average cost in terms of PRSI forgone ranged from €2,400 to €2,600 across all wages and both rates of PRSI. Costs do not all accrue in the year the exemption is granted and the timing will depend on the date of award and the duration of the exemption.

The costs above are based on averages which are liable to over or under estimation, while also accommodating outliers. A small number of very highly paid employees could raise the average disproportionately. Cost estimates are also based on the assumption that all employees remain in employment for the entire duration of the exemption. As the exemption is valid if employment lasts in excess of six months and data is not available on employees whose employment terminates prior to the duration of exemption, accurate costing is difficult.

7. Duration of participation

From June 2010 to January 2012 the exemption was for duration of 12 months. This was increased to 18 months in January 2012.

8. Performance

The Employer PRSI scheme is a relatively new scheme only launched in mid-2010. The scheme is attractive particularly to employers who create jobs that pay weekly wages of over €356 a week and would therefore have a PRSI liability of 10.75%. The Government decision to halve the lower rate of employer PRSI from 8.5% to 4.25% from July 2011 may have impacted on the take up of the scheme among employers who are recruiting lower paid workers earning less than €356 a week as it halved the potential impact of the PRSI scheme. Numbers awarded on the scheme remain disappointing given the potential savings that could be realised by employers.

From June to 31st December 2010, applications were received from 961 employers in respect of 1,808 employees. 736 employers were awarded exemptions in respect of 1,202 employees, while 347 employers had claims in respect of 511 employees rejected.

From January 2011 to the 30th December 2011, applications were received from 940 employers in respect of 1,522 employees. 660 employers were awarded exemptions in respect of 923 employees, while 381 employers had claims in respect of 559 employees rejected.

Up to the 26th October 2012 applications have been received from 820 employers in respect of 1,224 employees. From these applications 617 employers have been awarded exemptions in respect of 801 employees.

Table 3.15 below outlines the employment/occupation breakdown of the 800 positions approved to date in 2012; the scheme is supporting jobs across a diverse range of occupation categories.

Table 3.15 - Employment/Occupation Breakdown – 801 positions approved to date in 2012

Plant and machine operatives	103	13%
Associate professional and technical	97	12%
Professional	98	12%
Clerical and secretarial	89	11%
Sales	80	10%
Craft and related	76	9%
Managers and administrators	56	7%
Other occupations	202	25%

Employer Job PRSI Incentive Scheme – Conclusions

As mentioned the performance of the PRSI scheme in terms of take up has been disappointing. It is particularly disappointing when one examines the potential savings available to employers who avail of both the Employer PRSI scheme and the Revenue Job Assist scheme.

The Revenue Job Assist scheme offers both employers and workers an incentive in the form of reduced tax payment where people who have been continuously unemployed for 12 months or more are recruited. The scheme applies for a period of three years and can be used in conjunction with the Employers Job (PRSI) Incentive Scheme where applicable. It applies to employers in the form of a double tax deduction on the employee's wages and employer's PRSI in respect of such wages.

The take-up on Revenue job assist is similar to that on the PRSI scheme and the numbers availing of both simultaneously is unknown.

DSP have engaged in a number of employer road shows in October 2012 to raise awareness of the PRSI scheme and the fact that it can be availed of in conjunction with the Revenue Job Assist scheme. These road shows have attracted over 1,500 employers and early indications show an increase in interest in the scheme and increased applications.

While there is a perception that employers find schemes of this nature to be burdensome in terms of the effort involved to gain the benefit, recent IBEC surveys have shown that employers who availed of the scheme found the opposite to be the case and found their concerns regarding ‘red tape’ to be unfounded.

Employer Job PRSI incentive scheme – Recommendations

If the take up of the scheme remains low there may be little rationale for continuing the scheme in to 2013. Consideration should be given to aligning both the Employer PRSI scheme and the Revenue Job Assist Scheme in terms of eligibility and duration and perhaps a single application. This coupled with a joint intensive promotion and awareness campaign among employers may increase take-up.

Chapter 4–Summary conclusions

Background and approach

This report commences by reviewing likely labour market developments in the medium term, and the government's policy approach to labour market activation.

The likely prospect is for falling, but still extremely high unemployment over the next few years. The numbers of long-term unemployed, in particular, are likely to remain in excess of 170,000.

Even in these circumstances, there will be large-scale flows of people into employment each year, and a large proportion of these opportunities will be in the kinds of jobs for which most of the unemployed are reasonably qualified – routine service jobs and skilled and unskilled manual jobs. The overarching objective of government activation policy is to ensure that as many as possible of these jobs are taken up by unemployed people – particularly those from the Live Register.

Within this context, the range of programmes covered in this review is wide and diverse, this makes meaningful comparisons across schemes, and summarisation of the recommendations, difficult.

To address this difficulty, the approach used has been to locate the schemes firmly in the context of the government's labour market activation policies, as stated most recently in *Pathways to Work* and summarised in the concluding part of Chapter 2. This has allowed the development of a number of criteria, set out at the beginning of Chapter 3, that could be applied to the assessment across all schemes. These criteria relate to eligibility conditions and targeting; geographic distribution of opportunities; recruitment process; monitoring of participants' experience and encouragement of continuing job-search during participation; pay rates and conditions; and the duration of participation that is allowed/encouraged on the scheme.

Also, where possible, similar schemes have been grouped together for the purposes of the analysis (e.g. work/temporary employment programmes; programmes supporting participation in education and training). The conclusions and recommendations on each of these groups is summarised below, followed by a brief summary of recommendations on rationalisation of schemes.

The temporary work programmes

This group of programmes [Community Employment (CE), Tús, Rural Social Scheme (RSS) and Job Initiative (JI)] is budgeted to cost €470 million in 2012.

Work programmes like these are common as activation interventions across countries in times of high unemployment. However, the OECD has pointed out that reliance on temporary employment schemes has been relatively high in Ireland as compared with other countries; that post-programme outcomes remain disappointing; and that such schemes “should be used as a last resort activation tool”. In order to be effective, any such schemes “must be temporary and should not become a disguised form of subsidised permanent employment”. However, long-term unemployment has risen further since the most recent OECD review of Ireland in 2011, and seems likely to remain at an elevated level for some time, as noted above; this could be seen to strengthen the case for selective expansion of temporary employment.

In addition, this review has found that there are aspects of CE and Tús where reform would increase their contribution as activation measures. In the case of CE, these relate primarily to the recruitment process and the gradual increase in the average duration of participation, which now greatly exceeds the duration of one year originally envisaged for this type of programme. In the case of Tús, areas for reform include the treatment of means in deciding on payment for some participants, the arrangements for promoting training and progression for participants, and the follow-up of clients who, while willing and qualified, fail to find placements. Detailed recommendations to address these issues are made in the sections of the report dealing with the individual schemes. These recommendations for reform to CE and Tús would also serve to address some of the scheme-design characteristics of which the OECD has been critical.

The recommendations for CE and Tús will also, if implemented, lead to closer alignment of the design of these two schemes. In these circumstances, early consideration should be given to full amalgamation of the two schemes.

In relation to RSS and JI, the review finds that neither of these schemes currently contributes to activation policy in terms of leading on to other sustainable employment outside of the confines of the scheme itself. It is recommended that the future of these schemes needs to be considered in the context of their contribution to service delivery rather than activation. This could involve integration with a service-delivery scheme such as the under the Community Services Programme or transfer to another government Department with relevant responsibilities.

In relation to the ongoing scale of CE and Tús, while there is no evident “correct” level at which the scale of temporary employment measures should be set, it is clear that OECD views the current level in Ireland as being too high. Even with the reforms now proposed for these schemes, it would appear to be desirable, as

the economy recovers and unemployment starts to fall, to reduce participation on these programmes relative to other active labour market interventions.

Internship/Work Placement programmes

This group of programmes is budgeted to cost somewhat under €70 million in 2012, of which €65.8 million relates to JobBridge. Work Placement Programme (WPP), on which participation has been declining rapidly, is likely to cost a maximum of €3 million based on current trends.

Programmes of this type are common across developed countries. Their effectiveness and appropriate scale are generally assessed by reference to the post-programme outcomes for participants, while making allowance for estimates of deadweight (activity that would have taken place even without the scheme) and displacement (activity that takes place as an alternative to recruitment of normal employees).

Indecon consultants have just completed an independent evaluation of the JobBridge scheme which is being considered by the Department. The evaluation assessed the design, delivery and impact of JobBridge on the unemployed. This evaluation, when considered, will be valuable for informing future policy decisions and direction of the scheme.

In the interim, the launch of JobBridge with an additional allowance of €50 per week incentive attached has effectively undermined the rationale for WPP, particularly with the inclusion of those on lone parents' and disability payments in the eligible group for JobBridge. There is however, small continuing uptake of WPP placements by participants who have no previous welfare entitlement and therefore receive no payment under the scheme. It is recommended that JobBridge should allow the registration of such internships. Once this is done, WPP can be closed to new entrants and the scheme can be closed down entirely in a matter of months. (Consideration should then be given to paying the €50 weekly JobBridge allowance to the small number of participants without basic welfare payments).

Programmes supporting participation in education/ training

Expenditure by DSP on supporting job-seeker clients in undertaking education and training has expanded rapidly in recent years. The cost to the DSP budget of Back to Education Allowance (BTEA) has now reached €200 million, and it is likely that the cost of other provisions such as Part-Time Education Option (PTEO) and Education, Training and Development (ET&D), though not well identified,³⁶ are substantial and growing. Overall costs of education programme provision for DSP-supported unemployed persons are also now likely to be significant given the numbers now involved.

³⁶ Both schemes effectively deem participants to meet the core eligibility requirements, so the participants remain on their basic jobseeker's payment and are included in the Live Register. The costs involved are not separately distinguished in reporting of overall expenditure on JA/JB.

As with work programmes, education/training measures are a common element as part of activation interventions across countries. Evidence reviewed by OECD suggests that labour market training provides the best long-run return of any active labour market programmes, but that:

- Training rather than “work first” can have negative effects on return to employment in the short run because of “lock in” effects.
- Training and return-to-education schemes are relatively high-cost, particularly those of longer duration

With continuing high unemployment it could be argued that the main problem for the Irish labour market continues to be on the demand side rather than the supply side. As a result, employment outcomes from training and education interventions are likely to remain weak for some time to come.

As an activation programme, the largest scheme, BTEA as currently designed can have the effect of ‘lock in’ for participants, by providing, in some cases after relatively short periods on the LR, for dependency on SW payments for long periods of time where no job search is required. The courses covered by the scheme are provided on an academic year basis, rather than providing for intake across the year – which would be more in line with the activation needs of unemployed people. Access to BTEA is essentially by self-referral, rather than as part of any process where clients agree with DSP that it is the most suitable intervention for them with a view to progressing towards employment. Finally, the data suggest that return to the Live Register after completion of courses under BTEA is high – over 60% for those who completed or dropped out of a course at the end of the 2010-11 academic year.

The scheme also needs to be considered in terms of its interaction with other student supports. The standard payments under BTEA are therefore substantially in excess of the maximum rates paid under the main student support scheme. As BTEA expenditure has risen (from €64 million in 2007 to €199 million in 2011) it has grown in significance relative to other forms of support. It is estimated, for example, that 6,400 people entered undergraduate third-level studies with BTEA support in 2011; this represents about 16% of all entrants to undergraduate studies. Somewhat over 20% of all participants on PLC courses are also being supported under BTEA (as compared with 30%+ being supported under the student grant scheme).

Particularly for those at the younger end of the age distribution of participants, there is a risk that BTEA may come to be seen as an alternative funding stream for traditional access to further and higher education courses. This would involve substantial associated costs for the Exchequer as BTEA is relatively expensive in comparison to other options such as the student grant system

The recommendations made in relation to BTEA are designed to address these factors. In particular, the recommendations in relation to eligibility conditions (age and duration of unemployment) and an enhanced

role for DSP in the process by which clients gain access to programmes are designed to reduce the possibility of “lock-in” effects having a negative effect on return to employment. This is of importance given the relatively long duration of the typical course being supported under the Department’s programmes.

It is also recommended that consideration be given to allowing certain shorter duration courses such as *short term full time* and certain *accelerated* courses be eligible for BTEA (as an alternative to further blurring of the definition of “part-time” under PTEO), provided they are providing education in areas where labour shortage exists. This could have the effect of increasing the throughput through education courses supported by BTEA and making DSP clients job ready over a shorter period of time which should subsequently realise savings for the Department.

The Technical Employment Support Grant (TESG) and the Technical Assistance and Training scheme (TATS) each allow DSP to provide support to individual clients to purchase short-term services (mainly training) that address barriers to re-employment. Given the extent of overlap between the schemes, they should be amalgamated.

Programmes supporting self-employment/enterprise

This group of programmes [Back to Work Enterprise Allowance (BTWEA) and Short Term Enterprise Allowance (STEA)] is budgeted to cost almost €140 million in 2012. DSP also provides support for self employment through the provision that the self employed are entitled to apply for JA if their means are sufficiently low.

Supports for self-employment clearly have a role to play as one option for unemployed people, and it likely that in current conditions there is a greater pool of people, among the unemployed, with the skills and experience that would make them candidates for such support.

However, information on outcomes from the schemes is limited, and there is limited interaction between participants and DSP, while they are on the schemes. This means that only limited support is offered to participants; it also limits controls on the schemes.

It is recommended that interaction between the Department and the participants on Enterprise Support Schemes should be more structured and regular. Financial statements to prove a *bone fide* business is being carried out, should be supplied. Appropriate risk analysis systems should be developed in conjunction with SIU to improve control activity.

In addition, IT systems should be developed to allow the central recording and analysis of data on the nature of businesses supported under BTWEA and STEA and to record business success/failure. IT systems should also allow separate budgets to be held for each Back to Work scheme.

Unifying programmes with similar objectives

There are two broad thrusts to the terms of reference for this review – the requirement that schemes be evaluated on their merits in terms of their contribution to activation policies, and separately that an assessment be made of alternative organisational approaches “particularly the possibility of unifying programmes that have similar objectives and target client groups”.

In practice these two aspects have been covered together as part of the review of individual schemes and groups of schemes, as summarised above. However, it is possible to identify the specific recommendations that address organisational/scheme unification issues:-

- As the recommendations for CE and Tús will, if implemented, lead to closer alignment of the design of these two schemes, early consideration should be given to full amalgamation of the two schemes.
- there is a need to decide if RSS best suited to DSP or should be moved to a Department or body that is engaged with the development of rural and community services.
- As numbers continue to fall, JI schemes might be amalgamated, on a local basis, with projects now funded under the Community Services Programme
- If, as recommended, JobBridge is amended to allow the registration of internships where the participant has no previous welfare entitlement and therefore receives no payment under the scheme, WPP can be closed to new entrants,
- TESS and TATS should be amalgamated
- The small Credit Union Loan Guarantee Scheme should be discontinued in the light of the development of a temporary partial credit guarantee scheme and a micro finance fund by DJEI.
- Given the poor take up on PTJI and recent relevant amendments to FIS, termination of the scheme should be considered.

The development of Intreo active profiling and case management is central to the ability of many of the review recommendations to succeed. Individual case management and one-to-one interactions between DSP staff and its customers should improve the customers’ experience and the outcome attainable by DSP from chosen interventions. However this process will take time and considerable resources to develop and the scale of the task that confronts the Department should not be underestimated.

Conclusion

This review has encompassed a broad and varied range of activation programmes, 16 in total. The recommendations are equally wide-ranging. They include the possible termination (or transfer out of DSP) of five of these schemes (RSS, JI, WPP, CU Guarantee & PTJI) and the possible amalgamation of a further six schemes (CE & Tús, PTEO & ET&D, TESS & TATs). Significant proposals are also made in terms of eligibility conditions and administration for a number of the schemes. In all cases the recommendations aim to ensure that DSP has available to it a more streamlined and practical set of programmes to assist Government in implementing activation policy.

Annexe 1

Terms of reference for policy review of employment support programmes

1. Identify, outline and analyse the over arching objective of activation support for people of working age outlining the short, medium and long term policies in this area; examine the continuing rationale and relevance of all relevant scheme objectives highlighting any overlaps.
2. Broadly examine recent, current and prospective future trends in the Irish labour market with a view to informing necessary activation measures in the short to medium term.
3. Examine the continuing rationale and relevance of all scheme objectives and examine their compatibility with the overall strategy of the Department, in particular the policy objective of supporting people of working age into employment (including through increased employability);
4. Broadly define the inputs (funding and staffing), processes and tangible outputs and outcomes associated with each scheme and identify the level and trend of these outputs and outcomes where possible, with particular regard to the number of recipients of the scheme, and identify any information gaps that emerge;
5. Evaluate the degree to which the objectives of all schemes warrant the allocation of public funding on a current and ongoing basis in the light of their contribution to Department's policy objective of supporting people of working age into employment. Examine the scope for alternative policy or organisational approaches to achieving the overarching objective in a more efficient and/or effective manner; particularly the possibility of unifying programmes that have similar objectives and target client groups.
6. Recommend any changes to the current range of schemes/programmes seen as required on the basis of the analysis carried out, and specify potential future performance indicators that might be used to better monitor the performance of schemes.