

High Level Issues Paper emanating from a Review of Department of Social Protection Employment Support Schemes



Table of Contents

Title	Page
1. Introduction	3
2. Department of Social Protection Core imperatives	5
3. Four Types of Activation Support Scheme	7
4. Rationale and Purpose	14
5. Summary of Schemes and main recommendations	18
5.1 – Strand 1 – Work Programmes	18
5.2 – Conclusions and recommendation on Individual Work Programme Schemes	19
5.3 – Strand 2 – Internships	
Conclusions and recommendations on Internships	23
5.4 – Strand 3 – Training and Education	
Conclusions and recommendation on Training and Education.....	24
5.5 – Conclusions and recommendation on individual Training and Education Schemes	25
5.6 – Strand 4 – Supporting Self Employment	30
6. Overall Conclusion	32
7. Annexe 1	35

List of Tables

Title	Page
1. Table 1 – Trends in Scheme Expenditure, Working Age Income and Live Register....	4
2. Table 2 – Expenditure and estimated numbers supported in 2011	11
3. Table 3 – Estimated expenditure and numbers supported 2012	11

List of Figures

Title	Page
1. Figure 1 – Three core business imperatives of DSP	5
2. Figure 2 – Four types of activation schemes within DSP	7
3. Figure 3 – Activation schemes within each strand of activation in DSP	8
4. Figure 4 – 2012 Estimated Expenditure by activation scheme type	14
5. Figure 5 – Modified typology of current DSP labour market programmes	15
6. Figure 6 – Proposed schemes available post review recommendations	32
7. Figure 7 – Possible modified typology of DSP activation schemes post review	33

1. Introduction

The policy review of Department of Social Protection (DSP) employment support schemes examines a range of programmes funded from the programme subhead “Working Age – Employment Supports” in the Vote for Social Protection.

The review is focused primarily on assessing the contribution certain 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 progression. The terms of reference are set out in annex one.

As outlined in Table 1 expenditure under these programmes has increased steadily over the past six years with 2012 estimated expenditure almost 48% above 2007 actual expenditure. Even when newly introduced schemes with substantial budgets such as Tús and JobBridge are factored out of the calculation the increase is still almost 23%.

Expenditure on certain schemes has significantly increased in the past six years, such as Back to Education Allowance (BTEA) which has increased almost three fold in that time. Recently introduced schemes such as JobBridge and Tús now account for an estimated €150m expenditure in 2012.

"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.

Table 1.0 – 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

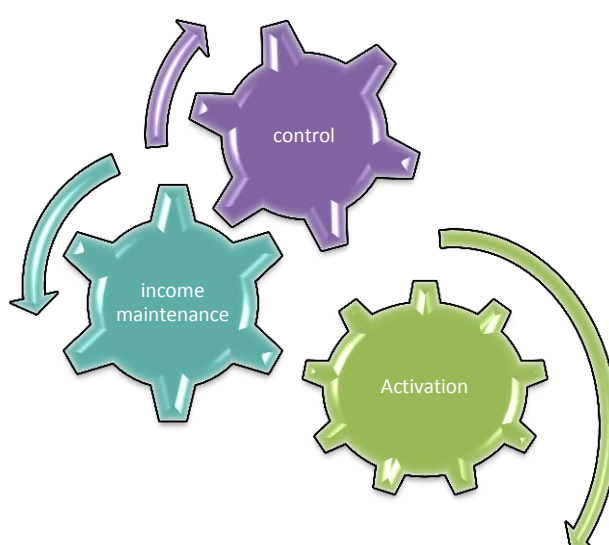
¹ The total estimate for the sub-head for 2012 is €964.4 million. This includes a number of expenditure programmes not covered in this review:- the Community Services Programme (€45.4 million); the Wage Subsidy Scheme and the Supported Employment Programme, both targeted at people with disabilities (€10.8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

This paper aims to place the Departments activation policy within the context of the other core functions of the Department. It then classifies the current activation schemes in to four broad strands, outlining actual and estimated expenditure and numbers supported under each. The rationale and purpose for activation schemes and some of the literature surrounding them is then examined and an effort is made to classify and position schemes with similar traits within a typology. This typology is used to examine the schemes as they are currently and later how they may appear following the reviews recommendations. The conclusions and recommendations for each strand of activation and the schemes therein are then extrapolated from the review and presented. Finally, overall conclusions are presented, as is the possible make-up of the activation landscape within the Department, should the recommendations be adopted.

2. Department of Social Protection Core imperatives

The Department of Social Protection has identified three core business imperatives within the Department as outlined in Figure 1 below.

Figure 1- Three core business imperatives of DSP



Income Maintenance: -A long standing primary objective of the social welfare system in Ireland has been provision of income supports for those who would otherwise be in poverty. *The design of social transfers is crucial in determining the way, and the extent to which, income inequalities are moderated and resources are distributed to those in poverty.*²

Control: - A social welfare system tasked with redistributing income to large cohorts of people must have adequate controls in place. *Fraud undermines public confidence in the entire system as a well as being unfair to other recipients of social welfare payments and tax payers. The control principles underpinning DSP's overall approach in this regard include prevention, detection, deterrence, recovery/debt management and measuring outcomes.*³

Activation Policy: - DSP activation policy has recently being outlined in *Pathways to Work: Government Policy Statement on Labour Market Activation*. The objective of policy is to ensure that as many as possible of the job opportunities that arise in the economy are taken up by unemployed welfare recipients. 'Pathways to Work' is based on five strands:

- *more regular and on-going engagement with the unemployed*
- *greater targeting of activation places and opportunities*
- *incentivising the take-up of opportunities*
- *incentivising employers to provide more jobs for people who are unemployed*
- *reforming institutions to deliver better services to the unemployed*

Support and assistance in seeking and finding suitable work in the open labour market is a major focus of the activation approach. In addition, where necessary, people who are unemployed can be given the opportunity to acquire suitable work experience, skills and/or qualifications. It is in this latter respect that the schemes covered in this review contribute to overall activation policy.

These functions – income support, control and activation – co-exist and are central to all of the Department's work. While this review will concentrate on the contribution made by the

² Comprehensive Review of Expenditure, Department of Social Protection, September 2011

³ Comprehensive Review of Expenditure, Department of Social Protection, September 2011

schemes to the current and future activation agenda in the Department, the other two core objectives are intrinsically linked to that agenda.

3. Four Types of Activation Support Scheme

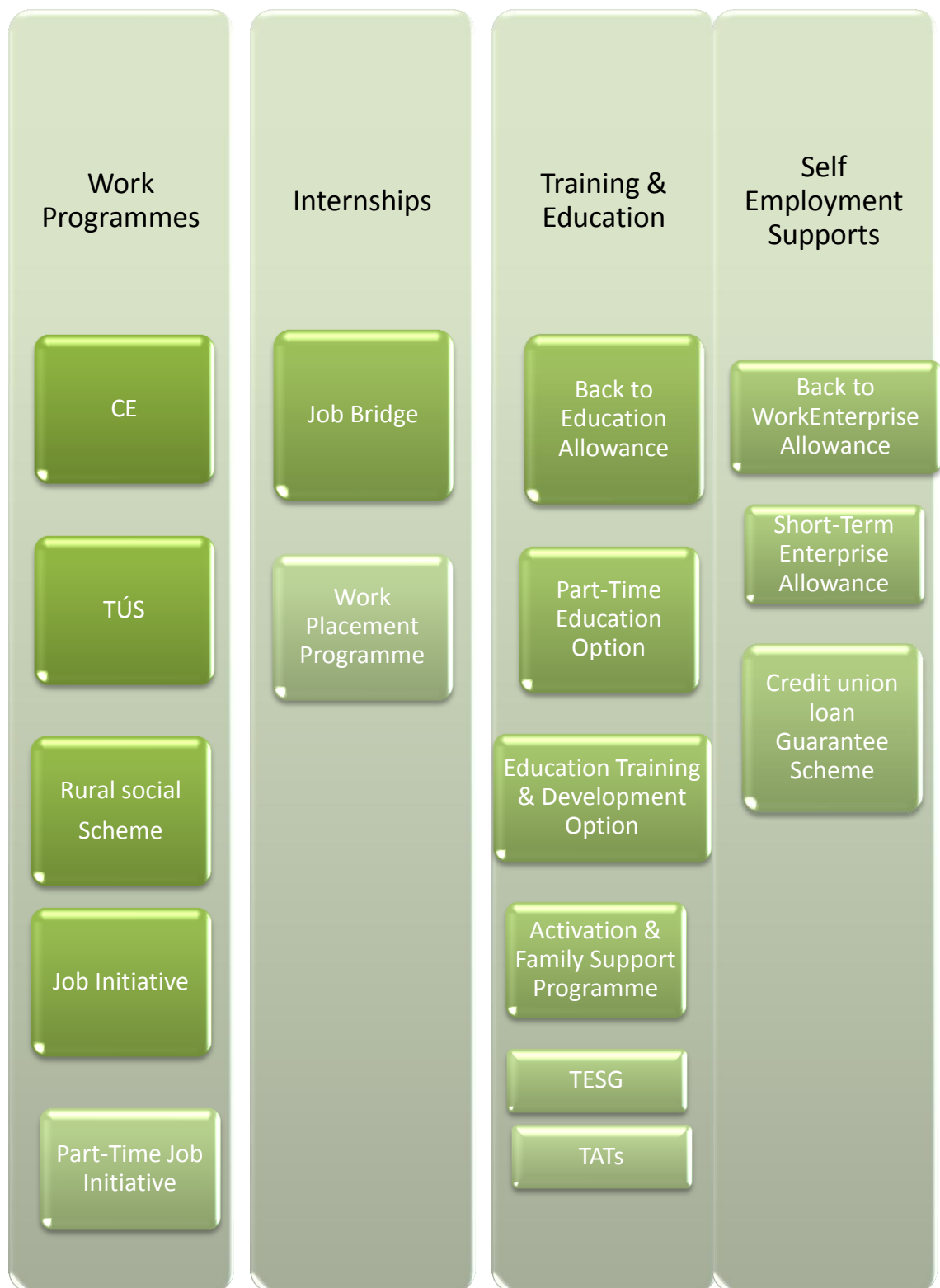
The review has identified four main types of activation support scheme in DSP as set out in figure 2 below; Work programmes, Internships, Training and Education supports and self-employment supports. Each scheme type offers participants different sorts of support and assistance, while all aim to improve their chances of employability.

Figure 2 – Four types of activation schemes within DSP



The four strands of activation as currently configured present the Department with 16 schemes to assist them as outlined in Figure 3 overleaf. The review also examines the Employer PRSI incentive scheme launched in 2010. While this scheme has an objective of encouraging employers to fill new job vacancies with persons from the live register, it is an ‘employer’ scheme and therefore is not included in the strands or analysis outlined below.

Figure 3- Activation schemes within each strand of activation in DSP



In 2011 under the Work Programme strand five schemes were identified; CE, RSS, Tús, JI and PTJI. These schemes combined provide places to almost 30,000 DSP clients at a cost in the region of €438m.

Two schemes were examined under the Internship strand; JobBridge and WPP. In 2011 these schemes supported in the region of 5,500 participants. As outlined in the review the arrival of JobBridge has effectively replaced WPP. JobBridge launched on 1 July 2011; participant figures stood at 3,100 at end-December 2011, and associated costs were €8.2m. The 2012 estimate of expenditure for JobBridge is almost €66m which reflects the further build up in participation (to a target level of 6,000) and the fact that the scheme will operate for the full year in 2012.

Six schemes were identified under the training and education strand; BTEA, PTEO, ET&D, TESG, TATs and AFSP. Data on numbers supported and costs are not separately identifiable for PTEO and ET&D for a number of reasons as outlined in the review. The remaining schemes provided support and training and education to over 50,000⁴ DSP clients in 2011 at an estimated cost of over €210m.

In the final strand, supports for self-employment, three schemes were identified; BTWEA, STEA, and the Credit Union Loan Guarantee Scheme. Combined these schemes support in the region of 12,000 DSP clients at an estimated cost of €114m.

Programme costs (based on the 2011 outturn) and participant data for 2011 for each scheme are given in the table two.⁵ Comparison of costs and participant numbers across schemes needs to be undertaken with care given the wide variety of types of support. Some schemes involve committing for a year or more to work and/or education and include the cost of income maintenance; others are once-off grants such as TATS and TESSG for short-duration (possibly as little as one day's) part-time training, without any income maintenance element. This should be borne in mind when reading the following table and charts.

⁴ Due to the nature of schemes there may be some overlap in numbers supported- e.g. a person may have received support under AFSP and TESSG.

⁵ Note that only schemes operated directly by the Dept. are included in this review. The main form of support for increased employability outside the coverage of the review is the training provided for unemployed people through FÁS. Approximately 26,000 people commenced training on the main FÁS full-time programmes for unemployed people in 2011.

Table two outlines the overall 2011 outturn expenditure and associated numbers on schemes examined in the review. In 2011, Work Programmes accounted for 57% of expenditure while Internships accounted for 1%, Education and Training schemes 27% and Self-employment supports some 15%.

Table 2 – Expenditure and estimated numbers supported in 2011

Strand	Programmes	2011 Outturn where available €,000m	2011 associated numbers	
			Average participation	New opportunities provided/clients assisted (est.)
Work Programmes				
	Community Employment	348,176	23,396	11,000
	Rural Social Scheme	46,872	2,525	200
	Tús – Community Work Placement Scheme	12,089	600	2,254
	Job Initiative	29,932	1,281	0
	Part-time Job Initiative	927	190	n.a.
		437,996	28,000 approx	13,500 approx
Internships				
	National Internship Scheme	8,182	900	3,100
	JobBridge			
	Work placement Programme	-	1,300	2,400
Education & Training		8,182	2,200	5,500
	Back to Education Allowance	200,857	25,000	11,500
	Part Time Education Option	-	-	
	Education Training and Development	-	-	
	Activation Family Support Programme	2,465	n.a.	8,523
	Technical Assistance and Training Scheme	2,905	n.a.	6,958
	Technical Employment Support Grant	3,130	n.a.	9,855
		209,357	25,000	36,800 approx
Self-Employment Supports				
	Back To Work Enterprise Allowance and Short Term Enterprise Allowance	114,543	10,500	6,000
	Credit Union Loan Guarantee Scheme	0	-	-
		114,543	10,500 approx	6,000 approx
	TOTAL	770,078	65,700	61,800

Table 3 outlines 2012 estimated expenditure per scheme and estimated numbers supported by each scheme for 2012.

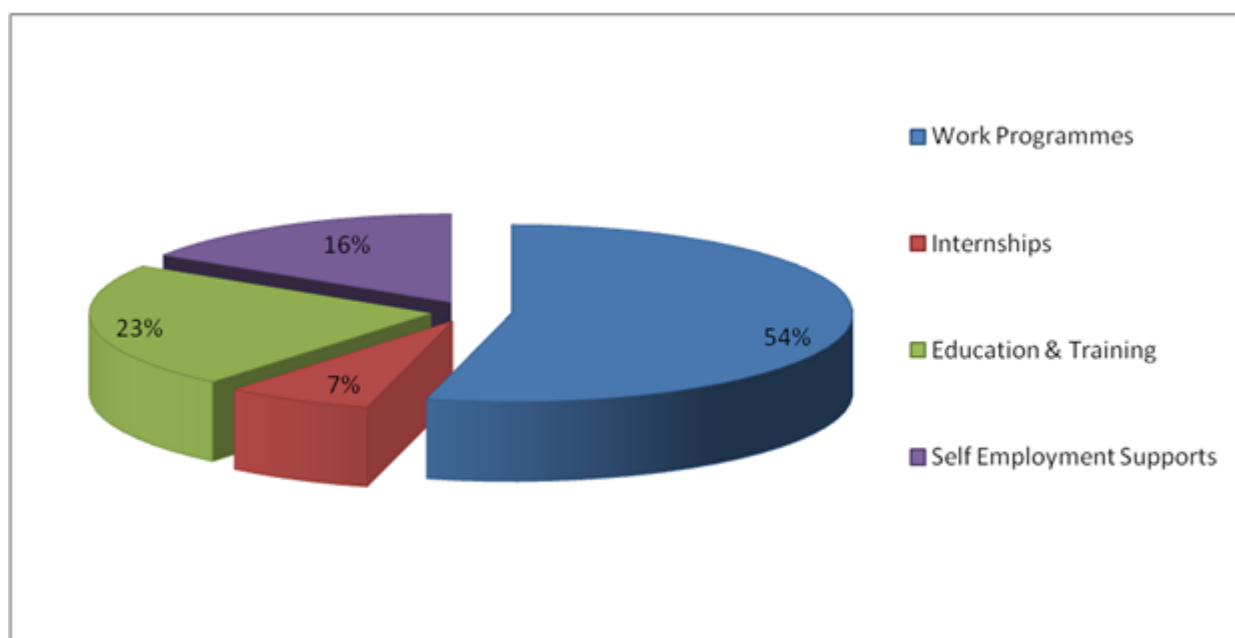
Table 3 – Estimated expenditure and numbers supported 2012

Strand	Programmes	2012 Estimated costs where available € ,000m ⁶	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 and 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 and 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

⁶ 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.

Of the overall 2012 estimated expenditure, Work Programmes account for 54%, Internships 7%, Education and Training schemes 23% and Self-employment supports 16% as outlined in figure 4.

Figure 4 -2012 Estimated Expenditure by activation scheme type



4. Rationale and Purpose

Activation programmes of the type under review are a common feature of labour market policies internationally. The World Bank describes Active Labour Market Programs (ALMP) as having two basic objectives: economic, by increasing the probability of the unemployed finding jobs, productivity, and earnings; and social, by improving inclusion and participation associated with productive employment⁷.

The OECD have identified further key features of ALMPs as being to enforce work-availability and mutual obligation requirements, meaning that benefit recipients are expected to engage in active job search and improve their employability, in exchange for receiving efficient employment services and benefit payment. In recent years, the OECD countries have placed increased priority on the effective co-ordination of ALMPs with the administration of benefits and make-work-pay policies, so as to implement coherent

⁷ Social Protection and Labour discussion paper, No. 1215, Public Employment Services and Activation Policies, The World Bank, May 2012

activation strategies for recipients of unemployment benefits and other working-age persons⁸.

The Department of Public Expenditure and Reform (DPER) has suggested that Active Labour Market Policies (ALMPs) can be broadly classified as supply-side measures (such as job search assistance and training programmes) and demand-side measures (such as private and public sector employment support schemes). Research has also shown that the closer activation measures are to the labour market, the more likely they are to be effective.⁹

DPER constructed a typology of labour market programmes reflecting the position of programmes on these two “axes” (supply/demand, and closeness to the market). Figure 5 below is an adaptation of this, positioning the main schemes covered in this review within the typology.

Figure 5 –Modified typology of current DSP labour market programmes

Labour Market Leverage	Market Orientation	
	Weak	Strong
Supply - Training	Back to Education Allowance (BTEA) Part Time Education Allowance (PTEO)	Certain BTEA courses – such as those with work placement-LMAF etc Certain PTEO courses such as – ICT Skills course
Demand - Employment	Community Employment (CE) Rural Social Scheme(RSS) Tús Jobs Initiative (JI)	JobBridge Back to Work Enterprises Allowance Sort Term Enterprise Allowance

⁸ www.oecd.org/els/employment/almpp

⁹ DPER - Comprehensive Review of Expenditure Thematic Evaluation Series -Labour Market Activation and Training

It would be incorrect to conclude that all schemes on the left are weak and all on the right are strong as each scheme must be examined individually and within context. For example schemes in the bottom right quadrant have strong attributes mainly in terms of proximity to the labour market; international studies have however shown that dead weight (subsidising activity that would have occurred in any case) and displacement (subsidised activity in firms impacting negatively on activity and employment in other unsubsidised firms) are real risks in this quadrant. The approach used in this review, moreover, goes beyond the scheme characteristics included in the typology, to look specifically at how other scheme characteristics – such as duration of participation and how recruitment is managed – impact on their contribution to the activation of individual jobseeker welfare recipients.

This review's recommendations, among other things, aim to offer more streamlined programmes repositioned in a stronger location within the typology. For example more direction by DSP on what courses and type of courses (moving away from self-selection and courses only offered based on the traditional academic year) that participants on BTEA should follow can help switch a greater portion of BTEA from the left upper, to the right upper quadrant.

Similarly, while community employment schemes may be viewed as appearing in a weak position on the grid, and international evaluation studies of direct job-creation programmes have generally been disappointing, the OECD has concluded that such schemes can provide a useful, temporary backstop to activation regimes in a recession for the hard-to-place unemployed, particularly if the recession is deep and long.¹⁰ Furthermore, the community services element of these programmes, and their contribution to social inclusion, cannot be ignored and must be incorporated into any analysis.

Review recommendations which propose fewer schemes, with shorter duration of participation together with more “directed” recruitment, aim to strengthen the position of temporary employment schemes within the typology while remaining cognisant of the community service/social inclusion aspects of the schemes.

¹⁰Grubb, D., S. Singh and P. Tergeist. (2009). *Activation Policies in Ireland, OECD Social, Employment and Migration Working Papers No. 75* (08-January-2009)

The main recommendations which are discussed later, if implemented may lead to the amalgamation of some schemes, the transferring of others to a more appropriate body and the cessation of others. A more focused and stream lined approach to activation schemes (while retaining the four main types of support) will allow the Department have more control over what interventions are appropriate for each individual case as it presents.

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. Arising from recommendations in a report produced for the Department by the UCD Geary Institute in February 2012, the Department has undertaken a project to develop a longitudinal database linking participation in a range of labour market programmes to participants' prior and subsequent social welfare and employment histories. It is intended to deploy this database to support both improved reporting on participant outcomes and longer-term evaluation of individual schemes.

Some of the recommendations which suggest a large change in direction such as allowing accelerated courses and short term full time courses under BTEA and the relaxation of the progression rule in certain circumstances may be best approached on a pilot basis allowing early evaluation in advance of large policy shifts. This may allow a comparison of course outcomes as between standard type courses and courses where employers are more central to the design of the courses, committed to the courses, and supply work experience opportunities.

Before the changes recommended are adopted, discussions must take place in respect of the dual objective identified in some of the schemes; of activation and delivery of services and social inclusion issues for some particular cohorts. For example the review recommends the transfer of the RSS scheme to a more appropriate body. This recommendation is made on the grounds of analysing RSS as an activation intervention. If it is considered that the

community services provided by RSS participants are valuable and should continue, its funding should be provided clearly on that basis rather than as an activation measure.

5. Summary of Schemes and main recommendations

5.1 Strand 1 - Work Programmes

Main overall conclusions and recommendation on Work Programme schemes

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”. Moreover, 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 in the main review, this could be seen to strengthen the case for selective expansion of temporary employment.

This review has found that there are aspects where reform would increase their contribution as activation measures and address some of the scheme-design characteristics of which the OECD has been critical. The recommendations for CE and Tús, if implemented, would also lead to closer alignment of these two schemes and amalgamation should be considered.

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.

In relation to RSS and JI, the review finds that neither of these schemes currently contributes to activation policy and consideration should be given to transferring RSS out of the Department and the closing of JI and PTJI.

5.2 Conclusions and recommendation on individual Work Programme schemes:

Community Employment (CE) Scheme

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. Permitted participation on CE ranges from 1 year to 7 years for different groups of participants. CE has become important over time in its role of supporting the delivery of a range of community, sporting, care and other services.

The main recommendations aimed at enhancing the activation impact of CE are outlined below. 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>

- Recruitment to the scheme should be mediated and directed, based on referral from DSP Employment Services only.
- 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.
- 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.
- 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.

- 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.

These recommendations may pose challenges for the service delivery role of CE in certain areas. If major difficulties arise 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

Tús

Tús 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. Participation is for one year only.

The main recommendations in respect of Tús are:-

- There should be a greater focus on ensuring job-search and progression planning for participants well in advance of their scheduled exit from Tús.
- Procedures should be developed to allow for speedy referral of people to alternative supports for progression to employment for those referred under Tús who do not receive placement
- It is essential that the proposed tracking system for the scheme should be fully implemented as soon as possible.

- 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.

RSS

RSS is a non-statutory income support initiative to provide employment 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. There is no specified duration, once eligibility criteria are satisfied there is little or no incentive to move off the scheme.

Summary of main recommendations

- It is difficult to identify ways in which RSS could take on a greater activation role given the structure of the underlying payment.
- 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 Jobseekers payment.
- If the scheme is to continue unchanged, consideration should be given to transferring the scheme 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.

Job Initiative (JI)

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.

Summary of main recommendations

- Now that responsibility for the scheme rests with DSP consideration should 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.
- As falling numbers have made, and will continue to make, some individual projects unviable, consideration should be 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.

Part Time Job Incentive (PTJI)

The PTJI 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. Participants may stay on the scheme for one year initially; there is no set upper restriction on how long participants may remain on PTJI.

Summary of main recommendations

Given the poor take up and the recent amendments to FIS termination of the scheme should be considered.

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 utilised by high earners working shorter weeks. In addition, periodic reviews of employers should be carried out to ensure more staff are not subsequently hired when the PTJI claimant could fill extra hours.

5.3 Strand 2 – Internships

Conclusions and recommendation on Internships

JobBridge is an internship scheme whereby host organisations offer internship opportunities of either six or nine months' for unemployed jobseekers, and has been in existence since mid-2011. 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. An internship can last for either six or nine months at the discretion of the host organisation.

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 Work Placement Programme (WPP) preceded JobBridge, and has effectively been replaced by the latter. However, WPP remains open to persons without any welfare entitlement who can participate without receiving a payment.

Summary of main recommendations

- Indecon consultants have just completed the first part of an independent evaluation of the JobBridge scheme which is being considered by the Department. This evaluation, when considered, will be valuable for informing future policy decisions and direction of the scheme.
- In the interim, 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.

5.4 Strand 3 – Training and Education

Main overall conclusions and recommendation on Training and Education

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 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. 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.

Education/training measures are a common element of activation interventions across countries. Evidence reviewed by OECD¹¹ 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

¹¹ OECD (2006). *OECD Employment Outlook*, Chapter 3. Paris: OECD

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.

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 eligible for BTEA, provided they are providing education in areas where labour shortage exists. 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.

5.5 Conclusions and recommendation on individual Training and Education schemes:

Back to Education Allowance (BTEA)

The back to education allowance (BTEA) scheme is a 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. A participant may remain on BTEA for as long as s/he is progressing in approved courses of study.

Summary of main recommendations

- 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.
- Consideration should be given to discontinuing the current practice of maxing up payments for those on means reduced payments
- 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 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.
- 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.

- In conjunction with the roll out of *Profiling and Case Management*, provision should be made for relaxing certain eligibility criteria, such as progression and eligibility period, where case manager feels the most appropriate courses are of a lower level than that already held or immediate access to a course is necessary.

Part Time Education Option (PTEO)

The PTEO allows participants to attend part-time day/evening or weekend courses of education or training and retain their jobseekers 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. There is no limit to the duration a person may pursue part time courses under the PTEO.

Education Training and Development Option (ET&D)

The ET&D allows participants to attend certain courses of education, training or development of short duration and retain their jobseekers payment while an entitlement exists. Participants are exempt from engaging in job search but must be available for employment should an opportunity arise. There is no limit to the duration a person may pursue ET&D courses, but they are usually of short duration.

Summary of main recommendations

- Given that PTEO and ET&D 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 job-seekers' 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 job-seekers 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 job-seekers' 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 TESG/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 absences of such allowance.

Activation and Family Support Programme (AFSP)

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. AFSP may support people under initiatives and programmes that are wholly funded by AFSP or part funded in association with other agencies and Bodies. Projects are generally of short duration.

Summary of main recommendations

- 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). 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.

Technical Employment Support Grant (TESG) & Technical Assistance and Training Scheme (TATs)

Both TESG 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.

TESG 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 TESG, with less emphasis on certification.

Summary of main recommendations

- Given the extent of similarity between the two schemes, it is recommended that they should be amalgamated.
- The amalgamated scheme should have two strands – one for enterprise supports of up to €1,000 for those starting businesses under BTW, and the other being for

certified training (up to €500) and for other job-search supports (up to €250) for other job-seeker welfare recipients.

- The flexibility to offer additional support up to €2,500 for the small number of HSP clients should be retained.

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). Based on these draft recommendations the Department requested that a review of these schemes be conducted with a view to exploring the best route to implement such a recommendation if it found the recommendation to be practical. Work on this review is nearing completion.

5.6 Strand 4 – Supporting self-employment

Conclusions and recommendation on self-employment schemes

The main purpose of the Back to Work Enterprise Allowance (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 12 months or more, to develop a business while retaining a reducing proportion of their qualifying social welfare payment over two years, along with secondary benefits. BTWEA participants who approach DSP for assistance in obtaining credit may also be supported under the credit union loan guarantee scheme.

The Short Term Enterprise Allowance (STEA) is payable to a person who qualifies for jobseekers' benefit (JB) and who wishes to commence in self-employment. This allowance may be availed of immediately after commencing on jobseekers' benefit, and is payable for the duration (and at the rate of) the underlying JB entitlement.

Supports for self-employment clearly have a role to play as one option for unemployed people, and it is 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 existing 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.

Summary of main 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.
- 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.
- 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.
- 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.
- 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.
- While there may be merit in the loan guarantee scheme, it would be best incorporated in the partial credit guarantee scheme and micro finance fund being rolled out by the Department of Jobs, Enterprise and Innovation (DJEI) as part of the Action Plan for Jobs.

6. Overall Conclusion

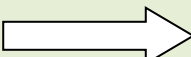
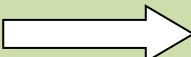
This review has examined the continuing rationale for current schemes and has also identified instances of overlap and duplication. Figure 6 outlines how the Departments activation landscape may appear if this reviews recommendations are adopted. DSP would have eight schemes available where previously there were 16.

Figure 6 – Proposed schemes available post review recommendations



The recommendations aim to allow DSP have greater discretion in who benefits from activation schemes and what schemes are most appropriate to each individual. The DPER adapted typology used earlier to position the schemes is reproduced below. While many of the schemes appear in the same quadrants the recommendations should lead to significant improvements in scheme design and how the benefit DSP clients. A much larger proportion of BTEA and PTEO courses for example would now be in the top right quadrant. This arises from DSP clients being referred, as opposed to self-selection, to courses where job opportunities exist and that may have a work placement element which should provide a greater market orientation and enhance their employability.

Figure 7 – Possible modified typology of DSP activation schemes post review

Labour Market Leverage	Market Orientation	
	Weak	Strong
Supply - Training	Certain Back to Education Allowance (BTEA) Certain Part Time Education Allowance (PTEO) 	Greater % of BTEA courses – courses in areas of identified labour shortages & containing work experience elements Certain accelerated programmes allowed under BTEA Certain short term, full time courses allowed under PTEO
Demand - Employment	Community Employment (CE) and Tús – Shorter duration – greater emphasis on job search and progression planning 	JobBridge – now catering for larger encatchment Back to Work Enterprises Allowance Sort Term Enterprise Allowance

While work programmes remain in the bottom left quadrant, restricting participation to one year in many cases and reinforcing the need for job search and progression planning should greatly improve these schemes in terms of activation and move them right in the typology towards stronger market orientation. The restriction on duration will also allow for an increased number of opportunities to be offered to those who are currently unemployed.

These recommendations in relation to work programmes may pose challenges for the service delivery role of CE in certain areas. If major difficulties arise these might be addressed by either explicit development of a service strand within CE, or by providing for alternative funding streams for service delivery in projects – with CE/activation funds supporting only part – generally a minority – of staff in any individual organisation/project.

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 overarching 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.