

THE 'HIGH ROAD' BACK TO WORK:

Developing a Public Employment
Eco System for a Post-Covid Recovery



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Executive Summary

What, Who and How: 10 Steps to a High Road Covid Era Back to Work Strategy

In the space of just a few weeks, Covid-19 has fundamentally reconfigured the relationship between welfare and work in Ireland. What the IMF describes as the ‘Great Lockdown’ has administered a shock to global patterns of production and consumption not seen since the Great Depression.¹ The Covid-related unemployment crisis has been sharp and fast, resulting in unprecedented levels of job-loss in Ireland and elsewhere. Unemployment has risen from approximately five per cent at the start of March to a Covid-19 adjusted unemployment rate of 28.2 per cent for April 2020.² Younger workers have been especially affected by the pandemic, with more than half of all workers under 25 years of age now unemployed. In addition, pre Covid-19, in addition to the many long term unemployed on the live register over half a million working age adults where depending on income supports for their daily survival, many of whom are not job ready and require significant support to return to work. These households had never benefited from economic recovery and comprise the 15% who lived in relative poverty prior to Covid 19.

This paper addresses the most appropriate model of activation for this unique Covid-19 era. While poorly designed activation programmes, which tend to over rely on conditionality and sanctions, are harmful, there is evidence that good quality well designed and enabling supports can help people regain employment. While much of the immediate government response to Covid-19 has been through income supports we cannot rely only on passive measures³. There is a strong case for advocating for active support to help people get back as quickly as possible to decent jobs. Active Labour Market Policies (ALMPs) (including public employment services, guidance, job and skill matching, short and long term training, job creation programmes, wage subsidies and in-work benefits) are a necessary part of the Covid-19 response. Many people may be traumatised, sudden unemployment has psychological impacts and many find their mental health is more vulnerable. We need to find effective ways of creatively and supportively enabling people to be confident about going back to work safely in the context of social distancing, and also help unemployed people find the right job for them in this changing context. Figure 1 illustrates how up to 60 percent of the working-age population are dependant on welfare and emergency Covid-19 Payments, this include PUP, TWS, those on the Live Register and over half a million working age dependant on other social welfare payments including lone parents, carers and people with a disability. Rather than go back to ‘normal’ we discuss here three pressing challenges; a) the need for a high road recovery; b) the need to leave no one behind; and c) the need for a public employment eco system.

¹ Gopinath, Gita (2020) The Great Lockdown: Worst Economic Downturn since the Great Depression. IMF Blog, 14 April 2020. <https://blogs.imf.org/2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/>.

² Central Statistics Office (2020) Monthly Unemployment: April 2020. See <https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentapril2020/>.

³ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

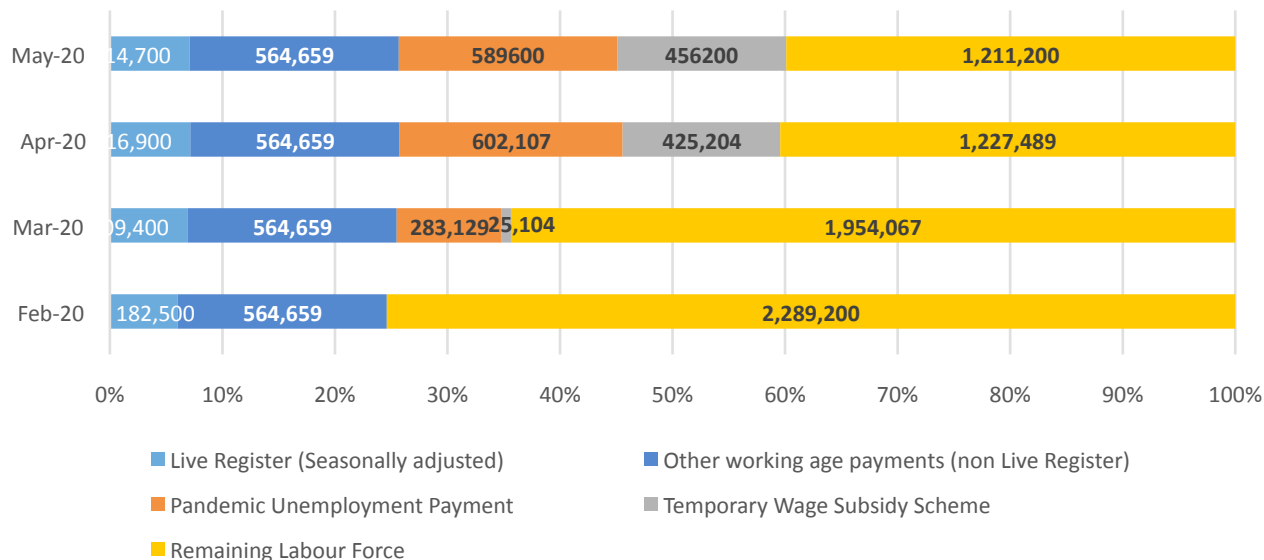


Figure 2: Proportion of working-age population on welfare and emergency Covid-19 Payments

Source: Live Register and Emergency Covid-19 payment data taken from monthly Central Statistics Office data and DEASP administrative data. The labour force size is based on CSO Labour Force Survey data for Q4 2019. Population on other working age payments (non Live Register) is based on 2018 DEASP Administrative data.

The nature of job losses means that young, female and migrant workers in precarious sectors have suffered the most significant losses. The low road nature of our labour market is characterized by the incidence of low pay in Ireland – defined as earning less than two thirds of median earnings - is extremely high. In 2017, 23 per cent of Irish workers were low paid, making Ireland’s rate of low pay one of the highest in the OECD let alone the EU⁴, while pre-Covid, 110,000 people in work were living below the poverty line of €264 per week for a single person household.⁵ As a result, *in-work poverty* is an enduring reality for many workers in Ireland. While it is of course imperative to support people back to work as quickly as possible, our activation strategy needs to be developed in this new context to a ‘decent work first’ strategy with attention to progression over time from low paid employment. While these workers are ‘job ready’ many will not progress out of new low skilled jobs without a **High Road strategy** that targets low skills sectors and upskills low paid workers. Digital exclusion is a reality for many. Digital skills will be an increasing necessity in a labour market characterised by new forms of remote working, but will also be necessary to access public services and social participation.

The second challenge relates to those left behind in the previous crisis. Following the last financial crisis of 2008-2010, and in the context of austerity⁶, Ireland redesigned its welfare and

⁴ Social Justice Ireland (2020) *Low Pay in Ireland is Still a Huge Issue*. 20 March 2020. See: <https://www.socialjustice.ie/content/policy-issues/low-pay-ireland-still-huge-issue>.

⁵ Social Justice Ireland (2020) *Election 2020 Briefing: Income Distribution*. <https://www.socialjustice.ie/sites/default/files/attach/policy-issue-article/6217/2020-01-29-election2020briefingincomedistributionfinal.pdf>

⁶ Murphy M.P. (2016) Low road or high road? The post-crisis trajectory of Irish activation, *Critical Social Policy* 36 (2) 1–21.

public employment services based around a Pathways to Work model of activation that prioritized rapidly transitioning people back into employment via a 'work first' strategy that had some short-term success in reducing both the overall unemployment rate but that also left significant cohorts behind. In addition to the 38,700⁷ long term unemployed and very long term unemployed who remain on the live register, in 2018, 564,659 people were not on the live register but depended on other working age payments (including lone parent, disability and carer's payments), receiving the basic payment rate (€203 per week) set well below this poverty line. This includes for example people who are homeless, those who live with addiction, people with criminal records and others who face specific barriers to employment. A Back to Work strategy has to be gender sensitive, particularly with regard to lone parents. It has to offer young people a Youth Guarantee based on choice and quality. People living with a disability need the network of 'Employability' employment services to be supported. Ethnic discrimination of Travellers, Roma and people of African descent has to be challenged, while legal barriers for migrants and asylum seekers need to be addressed. We cannot afford to leave so many people behind again, the longer distance they have to travel back to work means they need a specific form of work-life activation that is targeted, holistic and integrated, and responds to their local individual needs over a longer time frame, and includes in work progression.

How to do this urgently and within the context of what will be acute fiscal pressure is challenging. We have previously offered the concept of a **Public Employment Eco System (PEES)** to describe how a facilitative state could enable the available network of employment services to maximize their relevance to the public policy objective of maximizing sustainable employment for all in a rapidly changing economy and jobs market. Various institutions within this eco system can be adapted from both a demand and supply side perspective. Enabling maximum use of public, private and not for profit resources means a partnership approach to networked governance, especially at local level.⁸ The different delivery mechanisms in *Diagram 1* need to be activated in a systematic way. Intreo, the central driver of public employment services in Ireland, needs to effectively triage people to relevant services including LESN/Job Clubs, JobPath and Employability – services already in place and the starting point from which to build the eco system. Private recruitment agencies also have a role to play as does the wider education and training infrastructure.

Ten key action points to achieve this high road and inclusive recovery.

1. In the urgent context of post Covid-19 economic and social recovery, it is essential to **activate all possible actors, public, private and non-profit, in a Public Employment Eco system** (Diagram 1). Develop an enabling back to work strategy that aims to leave no one behind. Quality and relevance can be assured through processes of co-production and

⁷ Labour Force Survey Q4 2019

⁸ See also Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES), p.8. <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

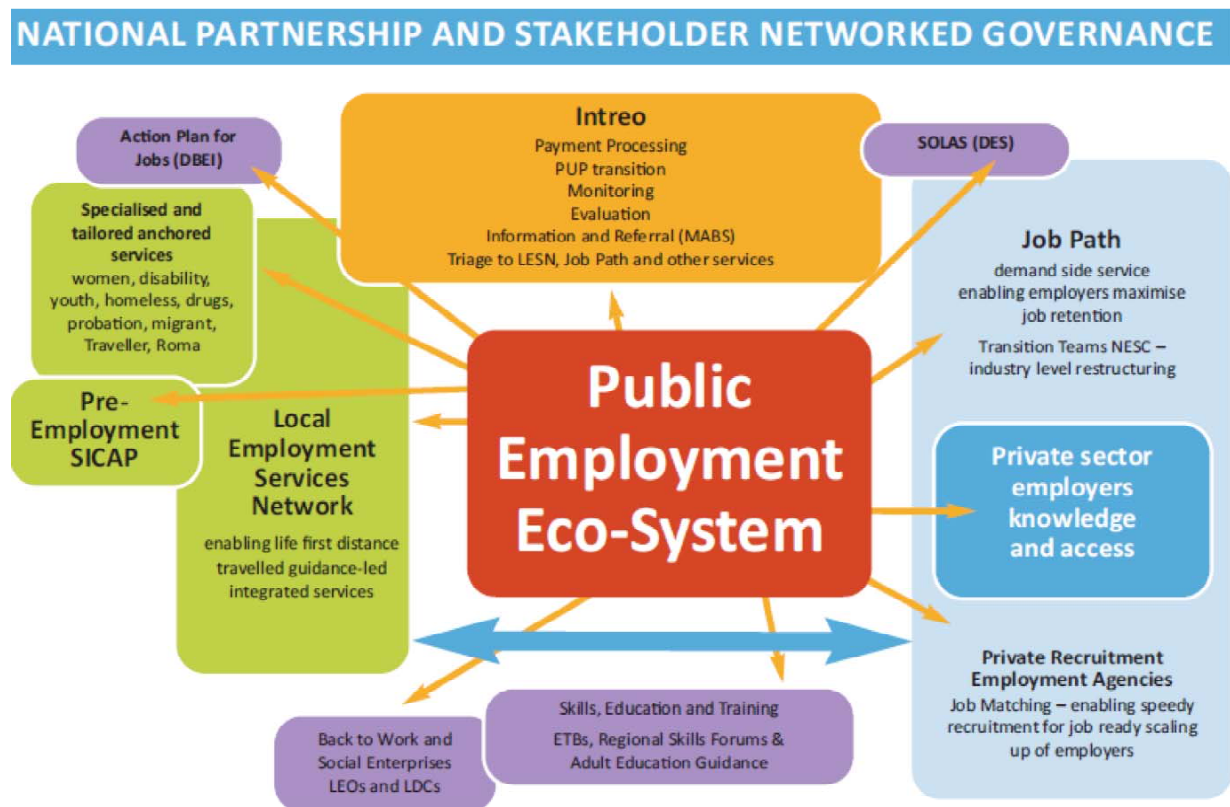
co-creation, building effective consultation and expanding membership of the Labour Market Advisory Council ⁹

2. Given the psychological impact of both Covid-19 and sudden unemployment it is crucial to develop a **post-trauma, capability-informed 'careful and hopeful' service**. It is crucial to prevent long term unemployment. A sustainable employment services approach for the job ready needs to go beyond a 'work first' approach. A decent work first approach should enable effective recruitment into decent jobs.
3. To **leave no one behind** it is essential to proactively include those who have not benefited from previous recoveries. A **work-life approach for those more distant from the labour market** should be based around an integrated tailored employment guidance led and local approach, delivered through local employment partnerships.
4. The Temporary Wage Subsidy (TWS) offers an important point of contact with employers for **developing demand side supports** linked to employment quality and equality policy objectives. To maximise transition into employment, local employers need to be part of employment partnerships, while local procurement could fuel local economies.
5. **Policy has to target both the low paid and those left behind including the long term unemployed**. Those who have lost jobs are most likely to be young, women, or migrant workers, and more likely to be low paid workers, renting and vulnerable. The 'low learning trap' that constitutes the low skilled low pay indigenous small medium enterprise sector in Ireland can be tackled through a skills and education strategy for low paid workers. A targeted service for those most distant from the labour market has to meet the differentiated needs of those experiencing particular barriers (homelessness, addiction, criminal records) and discrimination (gender, age, ethnicity, disability).
6. The governance of employment services requires **institutional reorientation into a Public Employment Eco System**. The mix of public, private and not for profit delivery requires that the national and local organisation of services is established through **collaboration not marketization**.
7. Co-production, a key steering mechanism underpinning the model of network governance, recognises that citizens and service users are integral policy actors and is based around inter-agency and cross-sectoral collaboration, with **local employment partnership delivery crucial**.
8. Digitalisation and online service delivery platforms are key to expanding and reforming activation services but significant levels of digital exclusion can also create new digital divides. While digital services are necessary quality and equality requires human focused employment services including triaging, needs/strength assessment and case management.
9. Creative use of income supports can enable transition back to work. There remain outstanding issues of adequacy and conditionality in non Covid Working Age payments. Stigma should be avoided by enabling participation in socially valued activity, including care and part-time work.

⁹ Casey S and Lewis L (2020) Redesigning PES after Covid 19: A Discussion Paper London: Per Capita
https://percapita.org.au/wp-content/uploads/2020/04/Redesigning-employment-services-after-COVID-19_FINAL.pdf

10. Covid-19 has reminded us of the importance of essential public services. A strategy of **Universal Basic Services** is needed to ensure access to health, housing, childcare, employment guidance and other public services. Precarious worker's lives are more precarious without access to such services and withdrawal of these services should not cause unemployment or poverty traps.

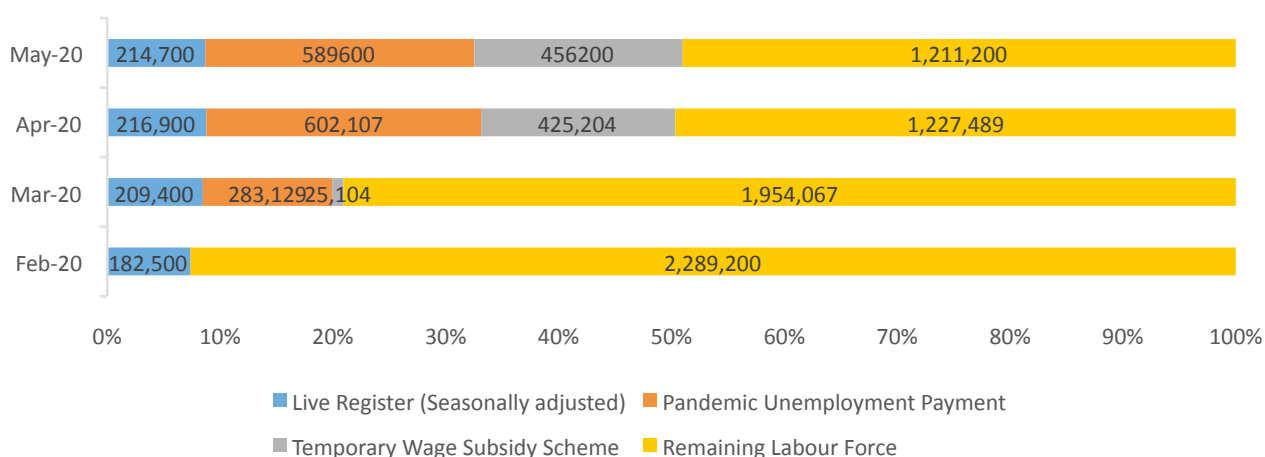
Diagram 1: A Future Public Employment Eco System for a capability-led, high-road, Covid Era recovery



Introduction: charting a ‘high road’ back to work

Data published by DEASP and the Central Statistics Office shows that over 1.26 million Irish workers were either fully or partially dependent on welfare payments on 11 May 2020 (See Figure 1). This figure includes 456,200 people receiving Temporary Wage Subsidy payments, almost 215,000 people on the Live Register (those in receipt of jobseekers’ payments), and 589,600 people receiving the Pandemic Unemployment Payment. Cumulatively this represents more than half of the country’s entire labour force of approximately 2.47m workers but, as Figure 2 shows, it is workers in low-paid industries that have been most affected by Pandemic Unemployment. While the Department of Employment Affairs and Social Protection (DEASP) believes that the number of people receiving the emergency Pandemic Unemployment Payment has now already peaked – and that the labour market will slowly begin to recover - the Department of Finance forecasts that Ireland’s unemployment rate will average out at approximately 13.9 per cent for 2020.¹⁰

Figure 3: Number of Irish workers on Live Register and Emergency Covid-19 Payments, February to April 2020



Source: Live Register and Emergency Covid-19 payment data taken from monthly Central Statistics Office data and DEASP administrative data. The labour force size is based on CSO Labour Force Survey data for Q4 2019.

The May 6th European Commission Spring Economic forecast anticipates a deep and uneven recession for Ireland. It highlights, above all, the risk and uncertainty associated with recovery, noting that ‘negative risks to the macroeconomic and fiscal outlook remain exceptionally elevated.’¹¹ Initial forecasts that up to a quarter of the Irish labour force could be unemployed by the end of the pandemic¹² were already exceeded by the end of April, when almost three in every

¹⁰ Department of Finance (2020) *Stability Programme Update: April 2020*. Available at: <https://www.gov.ie/en/publication/43a6dd-stability-programme-update-2020/>.

¹¹ European Commission (2020) *Spring 2020 Economic Forecast: A deep and uneven recession, an uncertain recovery*. Available at: https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2020-economic-forecast-deep-and-uneven-recession-uncertain-recovery_en.

¹² Nugent, C. (2020) COVID-19: Policymakers should focus on decent work and a Green New Deal in recovery. Nevin Economic Research Institute. 9 April 2020..

ten Irish workers were unemployed.¹³ Hopes that Ireland might emerge quickly from the pandemic are overly optimistic. The global nature of the pandemic, depth and duration of economic depression that is being experienced across the globe—which the IMF likens to the worst depression since the Great Depression¹⁴—suggests that the pace of recovery following the pandemic will be *much* slower than before. The Institute of Employment Studies forecast significantly suppressed demand in the context of household debt, firm balance sheet deficits, transformation of work in context of digital technology and shifts in international supply chains and export patterns.¹⁵

Low paid, women and young people most severely hit by pandemic unemployment crisis

Analysis of the early impact of Covid-19 on the Irish labour force by DEASP finds that ‘those who have lost their job due to the COVID-19 pandemic, or who have been temporarily laid-off, are more likely to be young, low-skilled, female and part-time than the population average.’¹⁶ These are cohorts who entered the Covid crisis with higher than average unemployment and who are more likely to be adversely impacted by long-term unemployment ‘once the containment measures are rolled back.’¹⁷ The likely negative impact on gender inequality is also aggravated by the impact on young women in the labour force.

Additional analysis by the ESRI indicates that the workers who have been displaced from employment by Covid-19 are also more likely to be living in rental accommodation than those who have retained employment, and therefore potentially subject to high housing costs.¹⁸ For example, just under 38 per cent of Accommodation and Food services workers – the sector most impacted by Pandemic Unemployment – live in rental accommodation, compared with around a quarter of the labour force nationally. Likewise, a high proportion of Retail and Administrative and Support Workers – two other sectors badly hit by the pandemic – live in rental accommodation. Young people working in these sectors, which are amongst the lowest paid in the economy (see Figure 2), therefore face the double bind of being caught between low-paid, insecure work, on the one hand, and a crisis in affordable housing, on the other.

As shown in Figure 2, more than a fifth of workers claiming the PUP have come from Accommodation and Food Services, where the average hourly rate of pay in Q4 2019 was just €13.6 per hour. Wholesale and Retail Trade is the second largest sector to have been hit by pandemic unemployment and, is again, one of the lowest paid sectors in the economy. In the final quarter of

¹³ Central Statistics Office (2020) Monthly Unemployment: April 2020. See

<https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentapril2020/>.

¹⁴ Gopinath, Gita (2020) The Great Lockdown: Worst Economic Downturn since the Great Depression. IMF Blog, 14 April 2020. <https://blogs.imf.org/2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/>.

¹⁵ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES), p.33. <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>.

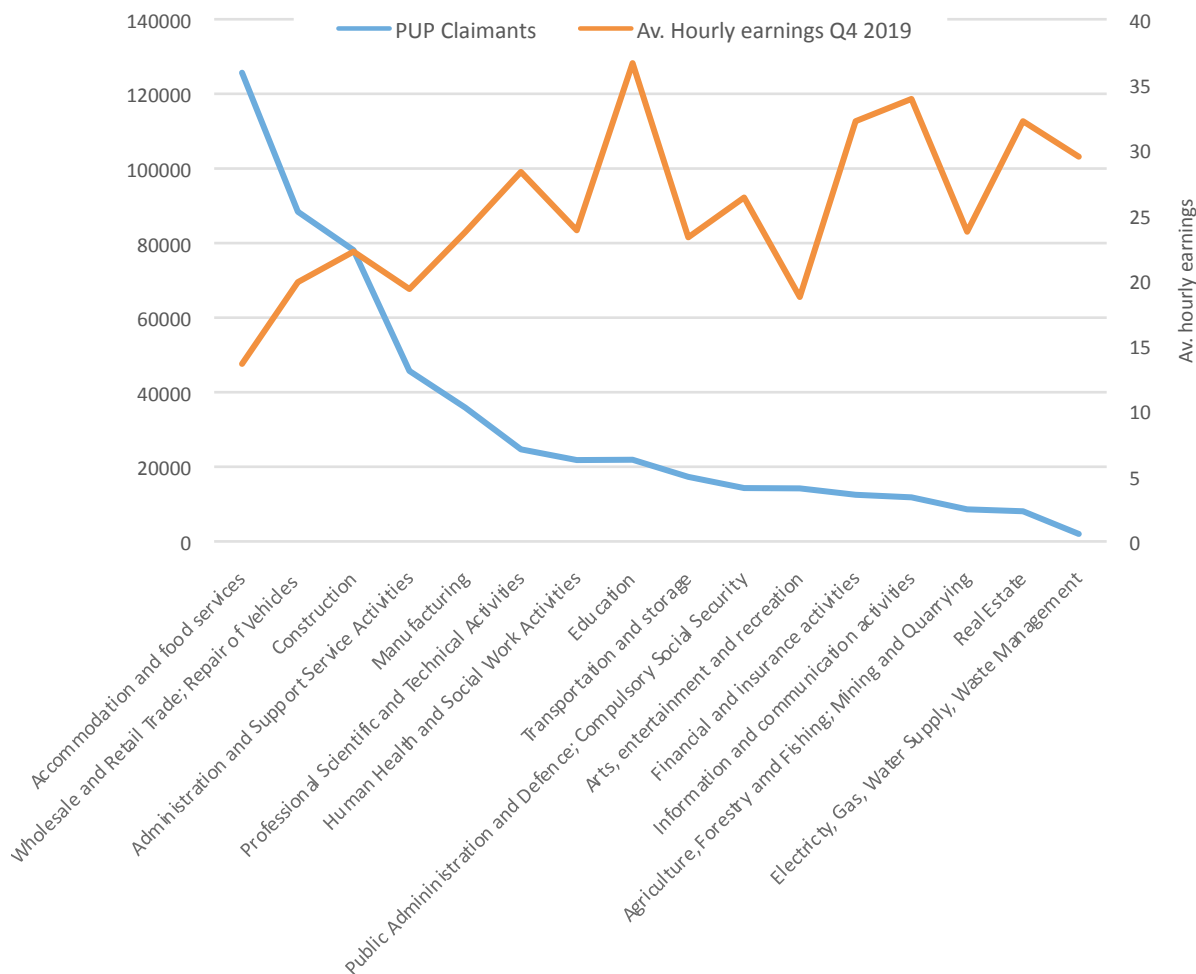
¹⁶ DEASP (2020) The Initial Impacts of the COVID-19 Pandemic on Ireland’s Labour Market, Dublin, DEASP. P.33. Available from: <https://www.gov.ie/en/press-release/97112d-minister-doherty-announces-the-publication-of-a-working-paper-on-the/>.

¹⁷ DEASP (2020) The Initial Impacts of the COVID-19 Pandemic on Ireland’s Labour Market, Dublin, DEASP. P.33. Available from: <https://www.gov.ie/en/press-release/97112d-minister-doherty-announces-the-publication-of-a-working-paper-on-the/>.

¹⁸ Roantree, Barra (2020) Fiscal policy through the crisis: support for individuals. Presentation delivered to the Geary Institute - Ireland’s COVID19 Crisis Response: Perspectives from Social Science conference., 24 April 2020.

2019, workers in this sector earned, on average, less than €20 per hour.¹⁹ Indeed, the four sectors most hit by Pandemic Unemployment – Accommodation and Food Services, Retail and Wholesale Trade, Construction, and Administration and Support Services – all rank among the five lowest paid sectors in the Irish economy in terms of average hourly earnings. Moreover, with the exception of Construction, these are also all sectors with a high concentration of female employment.²⁰ This illustrates how pandemic unemployment has disproportionately affected female and low-paid workers.

Figure 4 Pandemic Unemployment Payment Claimants by Sector and Average Hourly Earnings



¹⁹ Central Statistics Office (2020) Earnings and Labour Costs Quarterly. Available from: <https://www.cso.ie/en/releasesandpublications/er/elcq/earningsandlabourcostsq32019finalq42019preliminaryestimates/>.

²⁰ In Q4 2019, women account for 55 per cent of all those employed in Accommodation and Food Services; 49 per cent of all those employed in Wholesale and Retail Trade, and; 41 per cent of all those employed in Administration and Support Services. See: <https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurvey/lfsquarter42019/>.

Sources: Data on PUP claimants are taken from DEASP 11 May 2020 (<https://www.gov.ie/en/news/a49552-update-on-payments-awarded-for-covid-19-pandemic-unemployment-paymen/>). Data on Q4 2019 earnings are taken from CSO Labour Force Survey data (<https://www.cso.ie/en/releasesandpublications/er/elca/earningsandlabourcostsq32019finalq42019preliminaryestimates/>).

Despite this, the ESRI's distributional analysis suggests Ireland's immediate post-Covid response has had progressive impacts for low-income families.²¹ Our paper seeks to continue this progressivity into a post-Covid era where the focus shifts from emergency income supports back towards maximising participation in employment. The OECD²² stresses the importance of agile responsive public employment services. This paper, in particular, develops a vision for a capability-led, Public Employment Service Eco-System to chart a **'high road' recovery pathway**; one that can avoid further polarization and dualization of the labour force and the vicious cycle of the low-pay/intermittent unemployment nexus.²³ This is challenging. The IES warn alongside this sectoral risk that unemployment rises faster than it falls and anticipate it may take up to seven years to return to pre-pandemic unemployment levels, with specific equality dynamics and increased risks for some including: women who may become invisible as they remain economically inactive in the context of increased care obligations; youth who leave school and college without guidance or transitional supports; and migrants who exist in legal liminality and without access to labour market supports.²⁴ More generally, the structure of housing supports for private rental tenants in Ireland means that an increased reliance on the short-term income support Rent Supplement may create significant barriers for low income workers. For example, over the duration of the Covid crisis, the number of people receiving the short-term Rent Supplement has increased from 15,253 people at the end of February to 18,898 people by the end of April 2020.²⁵ The eligibility rules for receiving this supplement preclude people from continuing to receive rental assistance if they are in full-time employment. So the eligibility conditions for receiving the payment may act as a barrier to low-income workers returning to employment.

This report does not consider the fiscal and monetary implication of the policy discussion, and it does not cost our recommendations. We do acknowledge the scale of investment needed is enormous but argue that we have little choice but to make this investment. We know all too well and are still experiencing the social cost of previous episodes of high unemployment and its intergenerational consequences in terms of inequality and marginalization. We also know the economic cost of low levels of economic participation, the revenue forgone and the missed opportunity to maximize our national productivity. The short-term savings in welfare and gains in revenue will often offset the upfront costs of such investment, while seen over the longer-term, savings in health and social costs are significant.

We note the present Department of Public Expenditure and Reform protocols do not include welfare savings in their assessment of net costs of investment in PES. This is not uncommon, the

²¹ Beirne et al. (2020) *The potential costs and distributional effect of Covid-19 related unemployment in Ireland*. Economic and Social Research Institute. Available at: <https://www.esri.ie/system/files/publications/BP202101.pdf>.

²² OECD (2020) Public employment services in the frontline for jobseekers, workers and employers, April 20 OECD Paris

²³ Murphy M.P. (2016) Low road or high road? The post-crisis trajectory of Irish activation, *Critical Social Policy* 36 (2) 1–21

²⁴ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>.

²⁵ DEASP Administrative data provided to Focus Ireland.

costs and benefits of active labour policy measures are often evaluated narrowly through the lens of the costs of program delivery. Even when they are compared with returns via benefit savings and predicted increase in employment earnings this is usually only over a short-term (1-2 year) period. Wider benefits of labour market reintegration in areas such as housing and health, and over a person's lifetime, are rarely taken into account. The European Social Investment Package (2013) adopted various return on investment evaluations which demonstrated significant returns on investment in social policies including child care and programmes to prevent homelessness, as well as active labour market programmes. A strong caveat to such return on investment approaches is the ethical need to assure and prioritise investment or social expenditure when there is not an evident return, for example in elder care or disability services, and to avoid such approaches being manipulated into arguments against welfare expenditure. That said, it is worth noting that Australia's and New Zealand's attempts to factor these wider and life-time benefits into public expenditure analyses found substantial economic benefits accrue through support for labour market re-integration of vulnerable and disadvantaged groups (in one case, Aus \$441,000 average savings over a person's life-time through supporting lone parents into sustainable, well-paid employment)²⁶. This supports argument that a 'leaving no one behind' approach is fiscally beneficial if measured over a longer period.

In an Irish context²⁷ *The Social Return on Investment on e-Merge*, the Employment Initiative delivered by the Ballymun Job Centre (BJC) measured the social value of the career guidance service in financial terms, and found a return of € 2.77 of social value for stakeholders was generated for every euro invested in Local Employment Service staff costs. A 2014 analysis of the Mayo LES figures (using the probability formula developed by the UK Centre for Economic and Social Inclusion) found that the service cost €871,480 but returned a minimum of €1,960,860 to the Exchequer. In 2016 BJC conducted a financial analysis of its LES in April 2016 to find out the gross and net cost of the service. The conservative approach adopted nonetheless concluded a net value of €125,626 was generated. Narrow metrics of job placement cannot capture the true individual, family and local community social value generated through public employment services, a wider Societal Value Framework can inform public expenditure.

The previous 'low road' model of activation meant too many were left behind

Following the last financial crisis of 2008-2010, and in the context of austerity, Ireland redesigned its welfare and public employment services based around a 'low road' model of activation.²⁸ It prioritized rapidly transitioning people back into employment via a 'work first' strategy rather than developing their capabilities and skills, or building the structural supports such as access to child care and affordable housing, needed to enable people's in-work progression and more enduring attachment to the labour market. This 'work first' approach had some short-term success in reducing both the overall unemployment rate - which reached a seasonally adjusted peak of 16 per cent in February 2012²⁹ - and the number of claimants on the Live Register, which tripled over the

²⁶ https://www.dss.gov.au/sites/default/files/documents/09_2016/parents_factsheet.pdf.

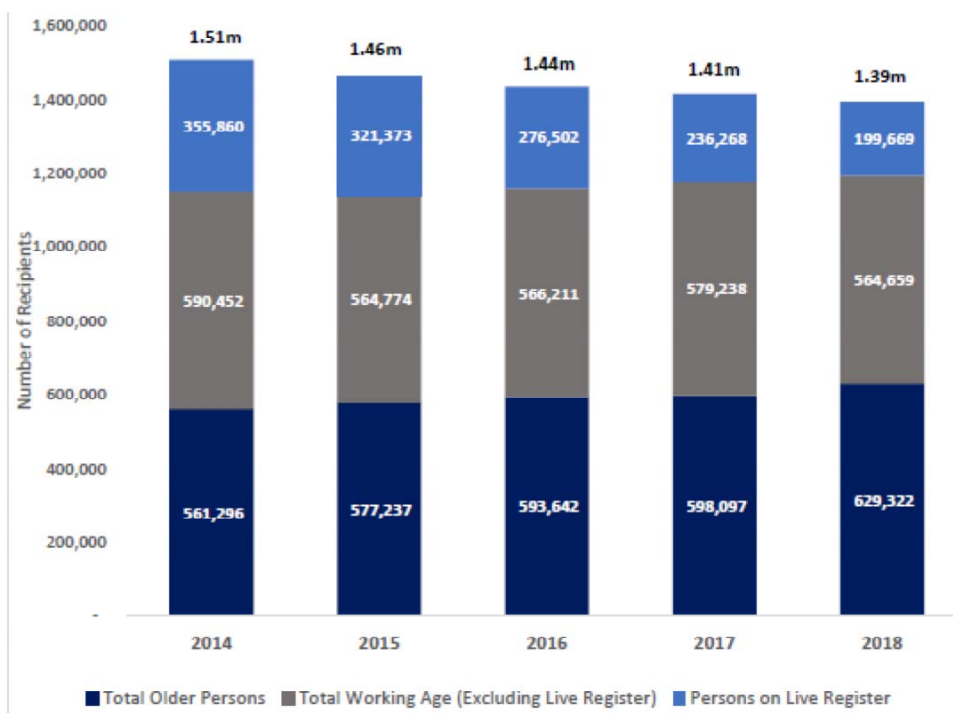
²⁷ Murphy M and Deane A (2016) Back to the Future: Reimagining the role of the LES in 2020 Ireland, Maynooth University

²⁸ Murphy M.P. (2016) Low road or high road? The post-crisis trajectory of Irish activation, *Critical Social Policy* 36 (2) 1-21.

²⁹ Central Statistics Office (2012) Seasonally Adjusted Monthly Unemployment Rates. Data series available at: <https://statbank.cso.ie/multiquicktables/quickTables.aspx?id=mum01>.

period of the crisis from 158,752 in January 2007 to 470,284 in July 2011 (2019).³⁰ By early 2020, the number of claimants on the Live Register was trending back towards pre-GFC levels with just over 182,000 people on the Live Register in February 2020. However as the chart below illustrates, the live register figure shows significant cohorts were also being left behind, with 564,659 people depending on other working age payments (including lone parent, disability and carer’s payments) in 2018.

Figure 5: Numbers of income support recipients in Ireland 2014-2018³¹



Source: DEASP admin data

This suggests that the active labour market policy measures taken in response to the previous crisis have had far less success in tackling chronic long-term unemployment than they have had in resolving acute, crisis-unemployment, the 38,700 long term unemployed in Q4 LFS is testament to this. In comparison to other EU countries. Rates of employment among disadvantaged social groups such as people with disability and lone parents are very low in Ireland (see Section 2 for more detail). We need to avoid the same mistakes and leave people behind in a post Covid-19 Back to Work Strategy.

Incidence of low pay and poverty in Ireland

The low road nature of our previous labour market strategy characterized by the incidence of low pay in Ireland – defined as earning less than two thirds of median earnings - is extremely high. In 2017, 23 per cent of Irish workers were low paid, making Ireland’s rate of low pay one of the

³⁰ See Department of Employment Affairs and Social Protection (2019) *Working paper: Evaluation of Job Path outcomes for Q1 2016 participants*, p.12. <https://assets.gov.ie/36499/ffdce98cddc34addb05cf41a70aaf4e7.pdf>.

³¹ Source: Watson D (2019) Supporting Improvements in Living and Working Conditions NED working paper, National Economic Dialogue, Dublin Castle, July 2019.

highest in the OECD let alone the EU.³² As a result, *in-work poverty* is an enduring reality for many workers in Ireland.

Pre-Covid, it is estimated that 110,000 people in work were living below the poverty line of €264 per week for a single person household.³³ The Covid-19 Pandemic Unemployment Payment, with its flat rate of €350 per week, may have temporarily lifted many of these workers above the poverty line. However, those receiving the basic Jobseekers Allowance before and during the coronavirus period remain on a payment rate (€203 per week) set well below this poverty line. This raises pressing and important questions regarding the tapering of the PUP beyond June and the level of income support and social assistance that will continue to be provided to those displaced by the pandemic over the longer term (see Section 2.5 ‘Who’ and Section 3.4 ‘Income Support’ for more detail).

Public Employment Eco System (PEES)

Given the degree to which the work first led activation response to the 2008 economic crisis had some success, but ultimately led to a significant cohort being left behind, it is opportune to discuss from the beginning what the best strategy is for *a post Covid recovery for all* that is consistent with Sustainable Development Goals (SDG) and national inclusion strategies. To build on the recent recognition of the social and economic value of often low paid essential workers and unpaid care and voluntary work we need to utilize all potential resources³⁴ (IES 2020) and ensure a Public Employment Eco System can offer all who need it a guidance-led service that can offer a pathway to decent jobs. As the President of Ireland has recently observed, Covid-19 ‘has magnified the scale of our existing social crises ... [and] shown us how so many are only ever one wage payment from impoverishment.’³⁵ But it has also proved ‘how government can act decisively when the will is there’ and provided an opportunity to ‘do things better’ if we can avoid reverting ‘to the insecurity of where we were before’.³⁶

We have previously offered the concept of a Public Employment Eco System (PEES) to describe how a facilitative state could provide a policy context in which the available network of employment services could be utilized to maximize their relevance to the public policy objective of maximizing sustainable employment for all in rapidly changing economy and jobs market. We believe this conceptualization is particularly important in understanding how the various functions of the institutions within this eco system can be adapted in the short-to-medium term to support the overall need to maintain income supports while also ensuring a transition to supports that enable maximum return to economic participation from both a demand and supply side perspective. Enabling maximum use of public, private and not for profit resources means a partnership

³² Social Justice Ireland (2020) *Low Pay in Ireland is Still a Huge Issue*. 20 March 2020. See: <https://www.socialjustice.ie/content/policy-issues/low-pay-ireland-still-huge-issue>.

³³ Social Justice Ireland (2020) *Election 2020 Briefing: Income Distribution*. <https://www.socialjustice.ie/sites/default/files/attach/policy-issue-article/6217/2020-01-29-election2020briefingincomedistributionfinal.pdf>

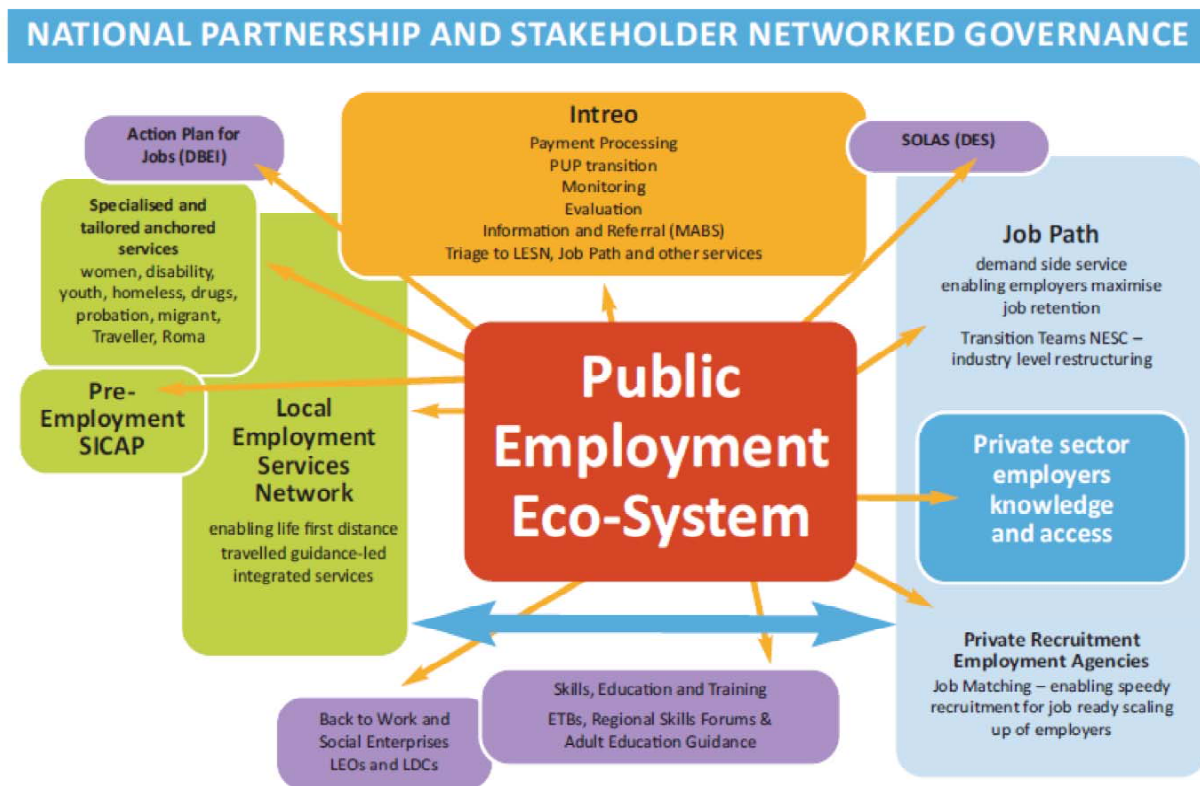
³⁴ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) *Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession* London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

³⁵ President Michael D. Higgins (2020) ‘Out of the tragedy of the coronavirus may come hope of a more just society.’ *Social Europe*, 22 April 2020. <https://www.socialeurope.eu/out-of-the-tragedy-of-coronavirus-may-come-hope-of-a-more-just-society>.

³⁶ *ibid.*

approach to networked governance, especially at local level.³⁷ Core different delivery mechanisms, Intreo, LESN/Job Clubs, JobPath and Employability, already in place in Ireland, offer a solid starting point from which to build the eco system, albeit there are issues with capacity, competence and culture as there are in other national PES. As seen in the PEES model Intreo in particular as the central driver of PES needs to develop an effective triage role to LESN, JobPath and other services, ensuring all people, including the long-term unemployed access the most appropriate service to meet their needs. Quality benchmarks need to consistently track standards of services for the client in all institutions s/he encounters in her/his labour market journey. Quality and relevance is also assured through processes of co-production co-creation. Further consultation with all such services is necessary to gather views on the options to adapt employment services to meet the needs of the post COVID-19 unemployment scenario³⁸ Expansion of membership of the Labour Market Advisory Council is also necessary to ensure all expertise and experiences are on hand to do the heavy-lifting required.

Figure 6: A Future Public Employment Eco System for a capability-led, high-road post-Covid recovery



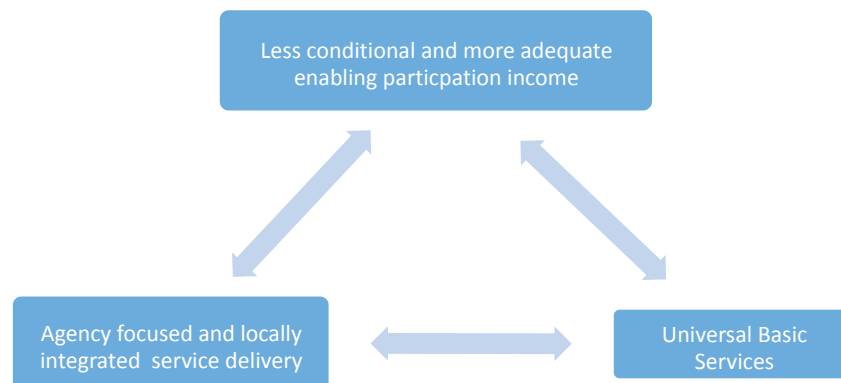
³⁷ See also Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES), p.8. <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

³⁸ Casey S and Lewis L (2020) Redesigning PES after Covid 19: A Discussion Paper London: Per Capita https://percapita.org.au/wp-content/uploads/2020/04/Redesigning-employment-services-after-COVID-19_FINAL.pdf

A capability approach and a facilitating public employment eco system

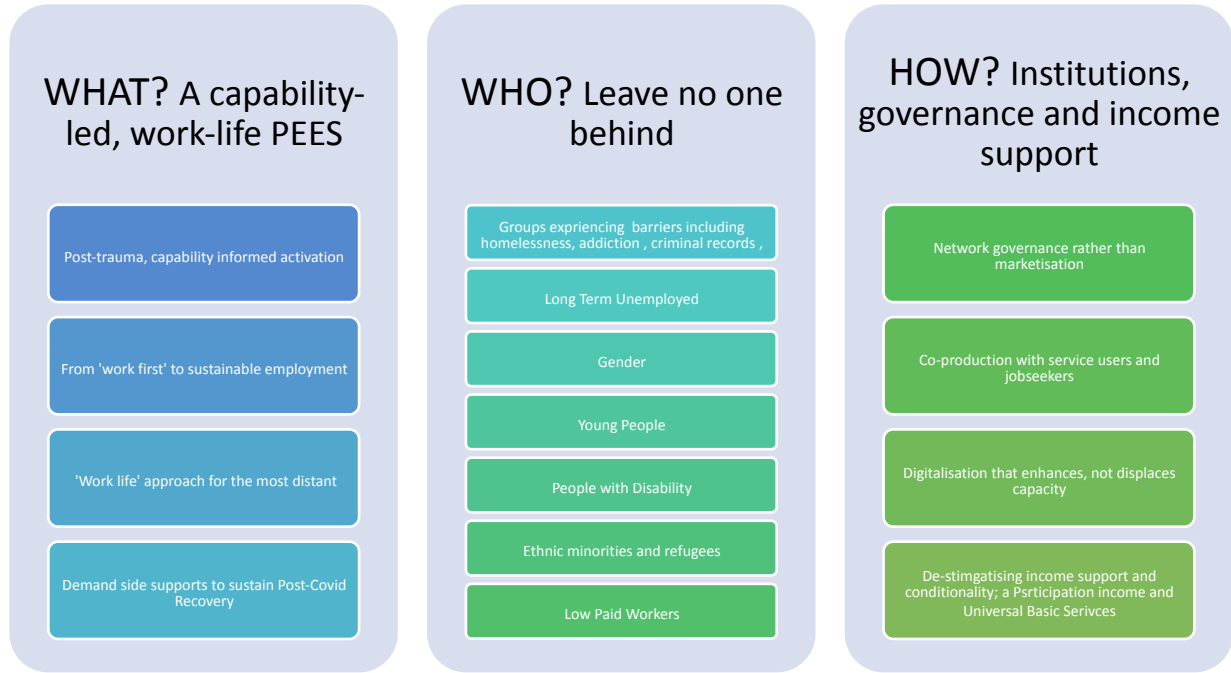
Following a capability approach the focus needs to be on enabling people to maximise their own capacity to achieve well-being and contribute to societal outcomes, while maintaining income supports in a manner that avoids new forms of poverty and inequality, as well as stigma and new distinctions between groups of claimants. While there is of course an **urgent** need to reconnect people with old and new jobs as quickly as possible, a capability informed post Covid-19 recovery offers the most constructive way to reconstruct our future toward an inclusive and equal economy and society. A 'high road' pathway back-to-work is best achieved via a Public Employment Services Ecosystem that is co-produced via a decentralized, network-governance based commissioning model. Local provision of client-centred and effective guidance led by professional case managers is at the heart of this model. Digitalisation also has an important operational role to play but it is essential to correctly triage participants into appropriate digital-first or face-to-face services with digital methodologies always supporting rather than replacing case management and ensuring, in the context of a significant 'digital divide', no one is left behind. Additionally, universal basic services must be combined with a reformed social security system that is sufficient and non-stigmatising for all, so that no-one's income falls below an agreed level. This calls for a new social contract based around a 'social wage' that needs to provide collective or universal basic services that are sufficient for life's essential needs that people cannot afford to pay for themselves. Income support has to enable people to have sufficient money to pay for remaining affordable essentials and be delivered in a fashion that mitigates stigma, maximises autonomy and enables and rewards societal as well as economic participation, this can be conceptualised as 'a participation income'.

Figure 7: A new social contract underpinned by universal basic services and a participation income: the new social wage



In the remainder of this report, we outline in detail what the contours of this capability-informed, and 'high road' pathway back-to-work entails for the revisioning of a Public Employment Eco System. We do so along three dimensions as shown in the figure below: **WHAT** form of active labour market support this model needs to take; **WHO** must be included and not left behind by this pathway to recovery; and **HOW** institutions, governance approaches, and income support systems need to be reconfigured to enable this model operationally.

Figure 8: The contours of a capability-led Public Employment Eco System



1. WHAT? Reimagining a capability-led, post-Covid, work-life PEES

The Covid related unemployment crisis has been sharp and fast. Public Employment Services (PES) have been put on hold in many countries with services closed and job seeking conditions relaxed in some. This mass unemployment shock is uncharted territory for most countries. It differs from previous crises as we are societies 'on hold' in the short term, with limited scope for socially distanced individualised frontline services. However, people need immediate supports to cope with this trauma. It is imperative to prepare to re-ignite employment services in the context of a phased resumption of the economy. Services need to refocus to support people through transitions into a riskier and uncertain environment as they consider new income, health and family care implications of returning to work.

The response of PES will be an important factor in how the labour force recovers not only in economic terms but in its own well-being and sense of itself.

1.1 Post-trauma, capability-informed activation

The psychological health of the labour force is an often-overlooked element of labour market policy but in the current context it may become an important anchor of recovery. In a very recent study surveying the health, distress and life satisfaction of working adults in China one month into the COVID-19 outbreak, Zhang and colleagues identified that those who had stopped working reported worse mental and physical health conditions as well as distress³⁹. Crisis induced mass unemployment will require a different strategy to traditional PES approaches as the sudden shock of economic collapse will have had both collective and individual impact, some of which could be considered traumatic. This collective trauma may be overwhelming for many, triggering stress and anxiety, and for others these feeling may be more intensified due to existing traumas and contexts, and others may be dealing with grief and loss or may have experienced a period of ill health. An Irish Covid-19 Mental Health Survey⁴⁰ indicates high rates of anxiety, with one-in-four Irish people experiencing clinically meaningful levels of depression, and one-in-five experiencing anxiety and post-traumatic stress problems. , those in the retail and restaurants are very fearful as this progresses that they will not be able to afford to reopen if this closure continues into the future. Also the shape and type of delivery mode will have changed beyond recognition. Local Partnerships report people are fearful about their jobs, whether employers will reopen, and how new requirements imposed by Covid -19 might impact. Young graduates are having to adapt their hopes for the future with consequences for mental health and their prospective work life balance and social networks. PES must identify effective ways to deal with varying responses and crucially must ensure that they are not trauma inducing in their own delivery.⁴¹

³⁹ Zhang, S. X., Wang, Y., Rauch, A., & Wei, F. (2020). Unprecedented disruption of lives and work: Health, distress and life satisfaction of working adults in China one month into the COVID-19 outbreak. *Psychiatry research*, 112958.

⁴⁰ Hyland and Vallières, 2020 <https://www.maynoothuniversity.ie/research/spotlight-research/covid-19-mental-health-survey-maynooth-university-and-trinity-college-finds-high-rates-anxiety>

⁴¹ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

1.1.1 Psychological impact of Unemployment

Revisiting the literature on the psychological impact of unemployment may help us understand how the labour force is responding to this crisis and inform the development of appropriate services to support and care for each individual, enabling them to contribute towards, and gain from, our future economic recovery. The psychological impact of unemployment has been well documented. A large body of research undertaken since the early 1980s has provided convincing evidence of its health and societal impacts, with both psychological well-being and subsequent re-employment shown to be negatively affected by unemployment⁴². These effects are often multiple and include decreased well-being, high levels of psychological stress, loss of confidence, low self-esteem and decreased job search self-efficacy⁴³, all of which can act as barriers to returning to work as they affect levels of motivation and job-seeking strategies⁴⁴. Therefore, in normal times many people who become unemployed are at increased risk of developing psychological distress which in turn distances them from the labour market and increases the possibility of them becoming long-term unemployed⁴⁵. We must therefore identify approaches and interventions which recognise these negative impacts and seek to maintain positive psychological well-being within the labour force.

Several theoretical perspectives (see Box 1) have dominated the literature in this field and help us explain the relationship between unemployment and psychological well-being, whilst also recognising the importance of considering both person and environmental variables in their conceptual analysis⁴⁶. These theoretical perspectives highlight the importance of the manifest (income) and latent (time structure, activity, social contact, collective purpose and status) benefits of work, while also recognising agency in terms of skill use, goal setting, and security. These aspects of work contribute towards the greater levels of well-being enjoyed by the employed and therefore maintaining and preserving these dividends must form part of any PES response. For these reasons we must be cautious and consider carefully how the PES responds to this unemployment crisis.

A collective back to work campaign could promote a culture of care and hope, and give low-income workers confidence that should they risk retuning to work a) they would not lose income and b) they could regain income supports in the event of renewed lock-downs, this requires tapered back to work income supports (discussed in section 3.4). A collective back to work campaign could also build on current feelings of national solidarity based on collectively managing the crisis, and foster an appropriate national discourse that does not stigmatize or create divisions, but this requires real progress on commitments to decent jobs for low paid workers (including a living wage and minimum hour's threshold).

⁴² Murphy, G. C., & Athanasou, J. A. (1999). The effect of unemployment on mental health. *Journal of Occupational & Organizational Psychology*, 72(1), 83-99.; Paul K, & Moser K. (2009). Unemployment impairs mental health: Meta-analyses. *Journal of Vocational Behavior*, 74(3), 264-282.

⁴³ Creed, P. A. (1998). Improving the mental and physical health of unemployed people: Why and how? *Medical Journal of Australia*, 168(4), 177-178.; Vuori J, Silvonon J, Vinokur A D, & Price R H. (2002). The Tyohon Job Search Program in Finland: benefits for the unemployed with risk of depression or discouragement. *J Occup Health Psychol*, 7(1), 5-19. ;Vuori, J., & Vinokur, A. D. (2005). Job-search preparedness as a mediator of the effects of the Työhön Job Search Intervention on re-employment and mental health. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 26(3), 275-291.

⁴⁴ Eden, D., & Aviram, A. (1993). Self-efficacy training to speed reemployment: Helping people to help themselves. *Journal of Applied Psychology*, 78(3), 352.

⁴⁵ Audhoe, S. S., Hoving, J. L., Sluiter, J. K., & Frings-Dresen, M. H. W. (2010). Vocational Interventions for Unemployed: Effects on Work Participation and Mental Distress. A Systematic Review. *Journal of Occupational Rehabilitation*, 20(1), 1-13. doi:10.1007/s10926-009-9223-y

⁴⁶ Feather N T. (1990). *The Psychological Impact of Unemployment*. New York: Springer-Verlag

Box 1 Psychology of unemployment; Latent Deprivation model, Agency Restriction model; Vitamin Theory

*The Latent Deprivation Model*⁴⁷ evolved from the Marienthal studies in Austria which examined the impact of mass unemployment during the 1930s and theorised about the deterioration of well-being in the unemployed⁴⁸. It proposes that the psychological distress of unemployment can be explained through the loss of manifest (income) and latent (time structure, activity, social contact, collective purpose and status) benefits of employment. Thus, while those who are in employment gain considerably from these, “the healthy worker effect”⁴⁹, their loss as experienced by the unemployed, can lead to negative affect and depressed mood.

An alternative theory proposed by Fryer⁵⁰, the *Agency Restriction theory*, combines the importance of agency and control in relation to unemployment and psychological well-being. It contends that unemployment restricts the individual from economic self-sufficiency and reduces control over the life course, thereby impacting on psychological well-being. He argues that when agency is blocked, either in the workplace or during spells of unemployment, it causes frustration which has negative implications for psychological well-being. Fryer assumes individuals are active agents who strive to achieve goals, initiate new activities, and have expectations for the future aligned with cultural norms⁵¹. Unemployment, he contends, impoverishes and discourages such agency. Covid 19 restrictions place reduced agency pressures on society more generally with negative implications for the well-being of the wider labour force. The more generous Covid -19 welfare payment (when compared to current job seekers payment) may in the short term buffer the potentially deeper negative psychological impact of unemployment.

The third dominant theory in the literature is Warr’s *Vitamin model*⁵² is based on the concept of ‘psychologically good’ and ‘psychologically bad’ jobs and ‘psychologically good’ and ‘bad’ unemployment. ‘Good’ jobs include opportunities for skill use and skill development, decision latitude, control, good remuneration, security, and interpersonal contact, all of which enhance psychological well-being. These contrast with characteristics of ‘psychologically bad’ jobs such as low decision latitude, insecurity, and low pay, Warr identified nine features of the employment environment associated with positive mental health (1) opportunity for control; (2) opportunity for skill use; (3) externally generated goals; (4) variety; (5) environmental clarity; (6) availability of money; (7) physical security; (8) opportunity for interpersonal contact: and (9) valued social position. Warr compared their effect to that of a vitamin, proposing that a certain amount is required for good health, whilst too much either has no effect, or can be detrimental. The negative impact of unemployment on mental health is related to reductions in one or more of these nine categories. Warr describes unemployment as a type of anxiety-provoking existence, periods of unemployment can create an uncertain world where it is difficult to predict the future and to plan ahead. Warr’s nine features overlap with Jahoda’s manifest and latent functions of employment, and indeed to some

⁴⁷ Jahoda, M. (1979). Impact of Unemployment in the 1930s and the 1970s. *Bulletin of the British Psychological Society*, 32(AUG), 309-314; Jahoda, M. (1981). Work, employment, and unemployment: Values, theories, and approaches in social research. *American Psychologist*, 36(2), 184.; Jahoda, M. (1982). *Employment and unemployment: A social-psychological analysis* (Vol. 1): CUP Archive; Jahoda, M. (1987).

⁴⁸ Bartrum, D., & Creed, P. A. (2006). Explanations for deteriorating wellbeing in unemployed people: Specific unemployment theories and beyond. *Unemployment and Health: International and Interdisciplinary Perspectives*, 1; Wanberg, C. R. (2012). The Individual Experience of Unemployment. *Annual Review of Psychology*, Vol 63, 63, 369-396. doi:10.1146/annurev-psych-120710-100500

⁴⁹ Agerbo, E. (2005). Effect of psychiatric illness and labour market status on suicide: a healthy worker effect? *Journal of Epidemiology & Community Health*, 59(7), 598-602; Li, C. Y., & Sung, F. C. (1999). A review of the healthy worker effect in occupational epidemiology. *Occupational medicine*, 49(4), 225-229.

⁵⁰ Fryer D M. (1986). Employment, deprivation and personal agency during unemployment: a critical discussion of Jahoda's explanation of the psychological effects of unemployment'. *Social Behavior*, 1, 3-23

⁵¹ Fryer, D. (1995). LABOR-MARKET DISADVANTAGE, DEPRIVATION AND MENTAL-HEALTH-BENEFIT AGENCY. *Psychologist*, 8(6), 265-272

⁵² Warr P. (1987). *Work, Unemployment and Mental Health*. Oxford: Clarendon Press.

extent, with Fryer's agency restriction model, thus providing some consistency, albeit from slightly different theoretical perspectives.

1.2 Decent 'Work First': a sustainable employment approach for the job ready

The challenge is developing an active response to this Covid 19 era mass unemployment is to find mechanisms to support unemployed people to find good jobs. While public sympathy is with unemployed people right now, historical and international experience tells us the focus can easily shift to over-reliance on conditionality and sanctions in certain types of work-first approaches that stress job entry regardless of the quality of the job. Good employment services focus first on trying to help people get back into work quickly, in the jobs that they want and are do this through good quality employment support⁵³. Evidence from Sweden, Germany, and the Netherlands provides good quality evaluations of recent examples of good quality active employment supports.

The current predominately 'work-first' informed labour market policy is not adequate, in our opinion to meet the more urgent short-term needs of the unemployed. The traditional Work First model is characterised by intensive job search, which in its most basic form aims to move people from welfare into unsubsidised jobs in the shortest time possible. This quick return to the labour market proposes that any job is better than no job.⁵⁴ It uses short education, training and work experience to overcome barriers to employment while also monitoring job seekers levels of activity and compliance, and uses sanctions rather than trust.⁵⁵ This approach is validated to the degree that it helps avoid prolonged unemployment, particularly while young, which can cause long-lasting 'scars' on future earnings, employment prospects and health and wellbeing. Critiques of Work First⁵⁶, link it with a low paid supply side policy direction, keeping benefit replacement rates low and increasing pressure on the unemployed to access the labour market as soon as possible.

While it may be intuitively appealing, the current predominately work-first informed labour market policy needs to be exercised cautiously, and with a focus on transitions to *high quality* employment, in the context of a recovery strategy where the focus is not on labour market supply but on repairing sluggish labour market demand. Critics label 'work first' activation a 'fair weather' policy in that it works well in times of expanding service sector employment and growing labour market demand but less well 'where labour demand is more sluggish.'⁵⁷ This is not to say that job-search focused support is of no benefit during recessionary periods. As the Institute of Employment Studies has observed, one of the key lessons from previous recessions is the importance of providing rapid and high quality job-search support so that those who find themselves unemployed 'can maintain contact with the labour market and move back into work as quickly as possible.'⁵⁸

⁵³ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

⁵⁴ Mead, L. M. (2003). Welfare caseload change: An alternative approach. *Policy Studies Journal*, 31(2), 163-185

⁵⁵ Sol, E., & Hoogtanders, Y. (2005). Steering by contract in the Netherlands: new approaches to labour market integration. *Contractualism in employment services*, 139-166

⁵⁶ Lindsay, C. (2010). Re-connecting with 'what unemployment means': employability, the experience of unemployment and priorities for policy in an era of crisis. *Social policy review*, 22, 121-147

⁵⁷ Peck, J., & Theodore, N. (2000). Beyond 'employability'. *Cambridge Journal of Economics*, 24(6), 729-749. P.123.

⁵⁸ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES), p.26. <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

Frequent, one-to-one caseworker support and high-quality job-search assistance can reduce unemployment and hasten transitions from welfare to work, especially ‘when targeted at more employable claimants.’⁵⁹ However, the quality of the support is critical, and many welfare recipients will need additional assistance beyond job-search support.

To this extent, international evidence on the effectiveness of job-search-first programs is mixed. In a meta-analysis of over 200 evaluations of ALMPs, Card, Kluge and Weber conclude that work-first programs tend to have large short-term effects in times of economic recovery, and with cohorts who have few labour market barriers other than unemployment. However, human capital approaches based on training and reskilling jobseekers may have larger impacts on labour force progression ‘in the medium or longer run’ and ‘in recessionary environments’, when they can be deployed as countercyclical measures.⁶⁰ Other studies find that the effectiveness of ‘work-first’ programs is likewise cohort and context sensitive. For example, in a quasi-experimental evaluation of the Australian Government’s Job Seeker Diary program, Borland and Tseng (2007) found that increased job-search requirements combined with monitoring reduced the amount of time participants spent on unemployment benefits by just under two weeks over a 12-month period. However, the effects of the program on reducing welfare receipt were largely concentrated ‘during the first three months’ and also tended to be higher for participants ‘with no history of receiving unemployment payments in the previous twelve months’ and ‘in regions where the rate of unemployment was relatively low.’⁶¹

These findings suggest that the successes of ‘work-first’ programs in increasing benefit off-flow rates may principally lie in their ability to activate those who are already closest to employment. As Martin observes in a review of evidence on ALMPs in OECD countries, ‘work first’ activation policies work best ‘for those who are relatively job-ready’ and for lone parents *if* they are complemented by appropriate and essential child-care supports.⁶² However, they have proven less effective in supporting people who are long-term unemployed and who have barriers to labour market participation beyond a lack of paid work.⁶³ Moreover, as Martin observes in his review of ALMPs in OECD countries, even when ‘work first’ approaches have proven effective in moving people quickly into employment, continuing doubts remain about the kinds of career opportunities that ‘work-first’ approaches lead to. The evidence shows that many people ‘are activated to take low-wage jobs which do not offer great career prospects and which may not lift them and their families permanently out of poverty.’⁶⁴ Therefore, we must be mindful of how we use ‘work first assistance, with whom, and to what end.

We assume however, most unemployed are highly employable in the immediate future, and trauma supports aside, the current model has some merits in enabling speedy transitions thereby

⁵⁹ Ibid.

⁶⁰ Card, David, Jochen Kluge & Andrea Weber (2015). What works? A meta analysis of recent active labour market program evaluations. IZA DP No. 9236. P.24. Available at: <http://ftp.iza.org/dp9236.pdf>.

⁶¹ Borland, Jeff & Yi-Ping Tseng. 2007. Does a minimum job search requirement reduce time on unemployment payments? Evidence from the Jobseeker Diary in Australia. *Industrial and Labor Relations Review* 60.357-78.

⁶² Martin, John P. (2015). Activation and active labour market policies in OECD countries: stylised facts and evidence on their effectiveness. *IZA Journal of Labor Policy* 4. P.22.

⁶³ This is further suggested by Card, Kluge and Weber’s meta-analysis of more than 200 revaluations of ALMPs. They found that the effects of programs on participants’ probability of employment were more marginal for women and participants who were long-term unemployed, who both benefitted relatively more from ‘human capital’ programs. See: Card, David, Jochen Kluge & Andrea Weber (2015). What works? A meta analysis of recent active labour market program evaluations. IZA DP No. 9236. Pp. 25-6. Available at: <http://ftp.iza.org/dp9236.pdf>.

⁶⁴ Martin, John P. (2015). Activation and active labour market policies in OECD countries: stylised facts and evidence on their effectiveness. *IZA Journal of Labor Policy* 4. P.22.

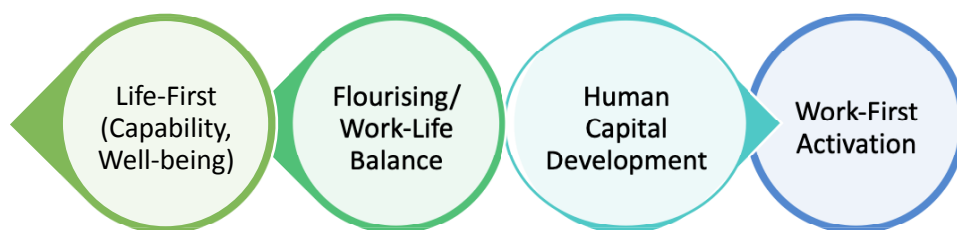
mitigating long-term unemployment. Enabling effective transition of job ready recently unemployed people into sustainable employment requires a mixture of demand and supply side interventions, for example resolving childcare barriers and maximizing income support compensation as part of an income maximization strategy. Recent evaluations and reviews of PES services (JobPath) suggest they achieve positive work first outcomes.

A challenge is determining who is job ready and who determines who is job ready, a capability informed approach enables the job seeker's agency and participation in such processes. A post Covid context requires a nuanced shift in policy to clarify the triage system, which refers people into an amended work first or work-life focused employment service (see below). This has implications for current administrative systems within Intreo who, given the immediate to medium term pressure on back office income support functions, may not be able to perform an adequate referral to other services. Updating and improving the profiling and case management tools can support caseworkers to maximise referral routes and allocate scarce resources, including active labour market measures, training and education. A refocused Intreo and Job Path should focus in the short term on supporting short term unemployed people back into sustainable employment. Existing specialised private sector recruitment agencies also have a specific role.

1.3 A work-life approach for those more distant from the labour market

In Ireland we already have a range of employment services skilled in meeting the needs of differing jobseeker cohorts. Recent evaluations and reviews of PES services (Intreo, JobPath, and LES) were in main, positive and give assurance that alternative, individualised, and need-based approaches could be offered. Yet this would require a shift in policy which could have significant implications for current administrative systems. It would also require a shift in ideology favouring the worker and their families over the economy and business⁶⁵. Achieving the right balance between caring for the labour force and re-igniting the economy will require a careful and delicate strategy. Using a labour market policy continuum, we have placed the current Work First model at one end and the Life First model at the other. Flanked by these two models are the Human Capital Development and the Work-Life Balance models.

Figure 9: A labour market continuum of 'employability' models



The Human Capital Development model moves beyond work first thinking, aiming to facilitate skill and competence development, thus improving sustainable access, long term employability and in-work transitions⁶⁶. This type of approach emphasises links to well-funded education and training

⁶⁵ Dean, H., Bonvin, J.-M., Vielle, P., & Farvaque, N. (2005). Developing capabilities and rights in welfare-to-work policies. *European Societies*, 7(1), 3-26.

⁶⁶ Peck, J., & Theodore, N. (2001). Exporting workfare/importing welfare-to-work: exploring the politics of Third Way policy transfer. *Political geography*, 20(4), 427-460.

and recognises the importance of integrated services to address work related barriers, for example links with drug services, health providers, care sector etc.⁶⁷.

The Flourishing/Work-Life Balance model is informed by the capability approach of Amartya Sen⁶⁸ and Martha Nussbaum⁶⁹ and aims to enhance capabilities and allow individuals “to lead the life and perform the job they have reason to value” ⁷⁰(pg. 356). It focuses on empowering the individual to develop capabilities while also providing the context to allow people the freedom to act in the way in which they wish. This means having the freedom to refuse participation in, for example, activation programmes and promotes involvement in co-design of appropriate interventions and services. While skills and knowledge may be exploited in the Human Capital Development approach, the Work-Life Balance approach promotes capabilities as choice and well-being enhancing.⁷¹

Finally, Dean and colleagues (2005) define Life First as an expanded notion of Work-Life Balance that seeks to create a holistic approach, prioritising life needs, including the need to work. It promotes the right to work, rather than the opportunity or obligation to work, and emphasises human capabilities and well-being as ways to realise this right. It acknowledges time (long term and sustained), space to realise potential, and the fundamental issue of care (to be cared for and to care for). Operationally, implementing this approach involves an adequately funded voluntary sector which provides flexible and adaptable services, sensitive to the needs of clients. Practitioners should be well-informed and knowledgeable with close links to statutory agencies and employers, and engagement should be voluntary⁷².

1.3.1 What are the options for practice?

Providing adequate psychosocial supports for the labour force should be evidence informed, with clear markers of what works and for whom. However, due to the heterogeneity of traumatic events, opportunities to develop and test effective responses are rare. Identifying this gap, Hobfoll et al.⁷³ developed a useful evidence informed framework for post-disaster psychosocial interventions. They identify five empirically supported principles to guide and inform interventions or policy responses post mass trauma. These principles promote: 1) a sense of safety; 2) calming; 3) a sense of self- and community efficacy; 4) connectedness; and 5) hope. Hobfoll’s principles could be useful in framing the PES response to the current psychosocial needs of the labour force.

⁶⁷ Lindsay, C. (2014). Work first versus human capital development in employability programs; Lindsay, C., McQuaid, R. W., & Dutton, M. (2007). New approaches to employability in the UK: combining ‘Human Capital Development’ and ‘Work First’ strategies? *Journal of Social Policy*, 36(4), 539-560.

⁶⁸ Sen A (1982) *Choice, Welfare and Measurement*. Oxford: Blackwell; Sen A (1992) *Inequality Re-Examined*. Cambridge, MA: Harvard University Press; Sen A (1993) Capability and well-being. In: Nussbaum MC and Sen A (eds) *The Quality of Life*. Oxford: Oxford University Press, 30–66

⁶⁹ Nussbaum M (2000) *Women and Human Development: The Capabilities Approach*. Cambridge: Cambridge University Press; Nussbaum M (2003) Capabilities as fundamental entitlements: Sen and social justice. *Feminist Economics* 9(2/3): 33–59.

⁷⁰ Orton, M. (2011). Flourishing lives: The capabilities approach as a framework for new thinking about employment, work and welfare in the 21st century. *Work, employment and society*, 25(2), 352-360. doi:10.1177/0950017011403848

⁷¹ Dean, H., Bonvin, J.-M., Vielle, P., & Farvaque, N. (2005). Developing capabilities and rights in welfare-to-work policies. *European Societies*, 7(1), 3-26

⁷² *ibid.*

⁷³ Hobfoll, S. E., Watson, P., Bell, C. C., Bryant, R. A., Brymer, M. J., Friedman, M. J., . . . Layne, C. M. (2007). Five essential elements of immediate and mid-term mass trauma intervention: Empirical evidence. *Psychiatry: Interpersonal and Biological Processes*, 70(4), 283-315.

Similarly, trauma informed care as an approach is widely used by social services working with individuals who have experienced suffering due to previous ordeals such as drug use, childhood sexual abuse, domestic violence, or homelessness. It recognises the impact of trauma on health and social problems and aims to sensitively address trauma while also attending to the individuals other needs⁷⁴. It recognises the disproportionate experience of trauma by specific groups due to structural inequalities. It is seen as an organisational change process which focuses on promoting healing and reducing the risk of re-traumatisation. There are 6 core principles of trauma-informed care: safety, trustworthiness and transparency, collaboration, empowerment, choice, and intersectionality. Again, these principles could provide a structure to guide and support the development of appropriate PES services at the individual level.

While these models may help frame the design of services, the daily practice of activation could potentially benefit from career development and mental health approaches. For example, the positive mental health gains of career development offers useful models and methods which have shown to have life effects, ability effects, self-perception effects, opportunity-perception effects and opportunity effects⁷⁵. Similarly, the 'three Rs of anxiety management' - Resilience (building our strengths), Reframing (how we see the issues) and Recovery (what does recovery look like, creating vision) - connect people with hope, respects their identity, gives meaning, and empowers them to work together to achieve their goals⁷⁶. These are just some examples of evidence informed approaches that could offer the PES new ways of working with the unemployed to promote positive mental health while also meeting their labour market needs⁷⁷.

A recent randomised controlled trial conducted in a North Dublin LES provides empirical evidence for the effectiveness of the LES approach in reducing levels of psychological distress in the long-term unemployed. Findings from this study show improvements in psychological well-being from moderate to severe levels of psychological distress pre LES intervention, to more normal levels (below clinical cut-off requiring mental health intervention) post intervention⁷⁸. The study also found that the LES approach was effective in increasing levels of hopefulness, self-esteem, career self-efficacy, and perceived employability. Similarly, findings from a recent qualitative study conducted as part of the ACA PES project identified positive personal and psychosocial outcomes for LES clients based on stakeholder perceptions⁷⁹.

This suggests that the LES has the competence and approach to offer a range of immediate services to the unemployed. While PES must fundamentally focus on labour market participation it is imperative that services have the capacity and competence to care for and attend to the needs of the labour force in a more holistic way. This means recognising where more therapeutic interventions and supports are required. Recognising these needs and making appropriate referrals will be an important aspect and outcome of employment services in the coming months. Therefore a robust triage service (see appendix) using effective profiling tools such as the Prime (Canada), Job

⁷⁴ Bowen, E. A., & Murshid, N. S. (2016). Trauma-informed social policy: A conceptual framework for policy analysis and advocacy. *American Journal of Public Health, 106*(2), 223-229.

⁷⁵ Redekopp, D.W., & Huston, M. (2020). Strengthening Mental Health Through Effective Career Development. A Practitioners Guide. Ceric and Life-Role Development Group Ltd.

⁷⁶ <https://www.stpatricks.ie/media-centre/podcasts/2020/april/covid19-podcast>

⁷⁷ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

⁷⁸ Whelan, N (2018) *Evaluating the effectiveness and implementation of new employment enhancement programmes in an Irish context: A focus on well-being and employability*. PhD thesis, National University of Ireland Maynooth

⁷⁹ Whelan and Murphy, unpublished. ACA PES project (2019)

seeker classification (AUS), Youth Guarantee (BJC/DEASP), PEX (DEASP), or a new alternative, is central in carefully identifying the labour market needs of individuals and directing them to appropriate services using a life first and hopeful activation approach.

We also need to be mindful that the collective trauma response can very quickly move to an individualised trauma, where the individual is perceived as being the problem rather than the traumatic event in itself. Services that are, in the short term, informed by the principles, values and evidence outlined above will (in our view) be more empathetic and compassionate in the long term. Strengthening the positive mental health and well-being of the labour force and promoting hopefulness and self-efficacy should be core objectives of our national response.

Covid-19 has taught us much about the importance of active citizenship. A capability approach means enabling people to maximise their own capacity to achieve well-being and contribute to societal outcomes, while enabling maximum return to economic participation from both a demand and supply side perspective. This needs to include reclassification of employment focused career guidance as an essential service in PEES. Funding quality employment focused guidance (and not just ALMPs) as part of a package of measures to 'care for' the labour force would support people to deal with changes in work, family, social life, and earning potential, while also helping them to negotiate access to services and supports⁸⁰. While we recognise that adult educational guidance expertise and services already exist in Ireland within the Further Education and Training sector access to this service as part of a networked PEES currently requires referral through Intreo. Employment focused guidance on the other hand is limited in its definition and is provided through the LESN on an ad hoc basis with no defined outcome measures other than job placement.

This type of guidance 'by chance', as is currently the case, is not good enough. Career guidance will not only enable the provision of a work-life approach but enable unemployed people explore how the meaning of work may be reconfigured in a post Covid-19 environment (e.g. tasks and how they are conducted, team work, safety, mental health, sick days/pay). PES staff will need CPD training and support in responding to trauma and loss, and while not everyone has been traumatized, many lives will have been severely disrupted and the need to debrief and discuss the impact of these events will be critical prior to exploring employment or career options. Effective career guidance has the potential to extend the length of careers, support economic and labour market goals as well as social equity and inclusion; it is a critical support to enable citizens to have rewarding and fulfilled working lives⁸¹.

1.4 Demand side supports for Post Covid sustainable job recovery and recruitment

The relationship of the PES to the wider political economy and employment has been controversial with work first activation often understood as enabling a compliant work force to feed into a low pay economy (local regional or national). Leaving this aside here we return to the traditional functioning of PES to enable fluidity between labour demand and labour supply. Unlike a full employment scenario which brought the focus onto supply side measures, the Covid era or post Covid recovery era requires a far greater focus on demand side supports to enable employers, particularly in SMEs, recover, restructure, maintain and create employment, as well as learn from some positive Covid era digital and other innovations. The focus here is not just on minimizing job loss, maximizing ongoing efficiencies and productivity that can be achieved from workplace digitalization transitions, but also enabling redundancy and shorter time transition supports (and

⁸⁰ Hooley, T., Sultana, R. and Thomsen, R. (2020) <https://careerguidancesocialjustice.wordpress.com/2020/03/23/why-a-social-justice-informed-approach-to-career-guidance-matters-in-the-time-of-coronavirus/>

⁸¹ IBEC (2018) <https://www.smartfutures.ie/wp-content/uploads/2018/12/Informed-Choices-Career-Guidance.pdf>

related industrial relations challenges), but also on not leaving people behind. Arguably, human resource management has traditionally little to say in relation to ‘vulnerable workers’ and employer engagement is offered as a way of promoting the active involvement of employers in addressing the societal challenge of promoting the labour-market participation of vulnerable groups.⁸² Achieving the right balance between caring for the labour force and re-igniting the economy will require a careful and delicate strategy.

PES has a role to play in supporting local employers to minimise job loss, maximise ongoing efficiencies and productivity from workplace digitalization transitions, building on recent learning in just transition labour market strategies in the context of climate change. Existing Job Path and private sector recruitment agencies can contribute to job retention/recovery placement focused employment services and can also work with Local Enterprise Offices (LEOs) and Local Community Development Companies (LCDCs) to focus on maximizing individual and social enterprise. An important consideration will be location specific considerations, which may also be temporal. All of the proposals below have the capacity to be rolled out with regional dimensions, with urban and rural contexts, and in vulnerable blackspots in existing and new urban and rural communities. The implications of any such proposal for an all island economy also need to be factored into the equation. A particular challenge is how to promote innovative and inter-disciplinary responses and dialogue amongst employers and PES.

1.4.1 Linking supports to employment quality and policy objectives

In early May the Irish government provided a significant €6.5b for business. While details are to be developed and await legislation by the incoming government the various measures include a €10,000 "restart" grant and a three-month waiver on commercial rates as well as a €4bn recovery fund and credit guarantee scheme. IES (2020 p 40-45) argue any such government stimulus presents an opportunity for engaging employers in a national strategy to promote a return to employment in the context of good quality work. Anticipation of the ‘new normal’ suggests more digital economies, more remote working, new forms of work and employment, and new forms of employee/employer relations. These changes can be positive or negative depending on how and why they are implemented, and on the policy environment shaping and supporting such change. The urgent should be balanced against the important; demand side measure can be developed to promote job sustainability and wellbeing. There is growing recognition that, in order for ALMPs to be effective, employers’ involvement is critical⁸³. Employer supports can be linked to or be conditional on employers collaborating in local and national strategies in relation to gender, disability, low pay, apprenticeships, job retention and progression. They can also be linked as Mazzucuto⁸⁴ suggests to environmental obligations and targets. Most of the employer and industry leadership potential can be realised in local partnership but they are also relevant in national sectoral and regional contexts.

⁸² van Berkel, R, Ingold, J, McGurk, P Boselie P and Thomas Bredgaard T. (2017) Editorial introduction: An introduction to employer engagement in the field of HRM. Blending social policy and HRM research in promoting vulnerable groups' labour market participation. *Human Resource Management Journal*, 27 (4). pp. 503-513. ISSN 0954-5395

⁸³ <http://eprints.whiterose.ac.uk/134543/3/Employer%20engagement%20SI%20Intro%20final%20revised.pdf> p 3

⁸⁴ President Michael D. Higgins (2020) ‘Out of the tragedy of the coronavirus may come hope of a more just society.’ *Social Europe*, 22 April 2020. <https://www.socialeurope.eu/out-of-the-tragedy-of-coronavirus-may-come-hope-of-a-more-just-society>

1.4.2 Creative use of the TWSS and PUP

According to the CSO Live Register April release (May 8th) there were 425,204 people on the TWSS which was anticipated to maintain relationships between employer and employee, this transitional space was due to end in week 12 (July 1st 2020), but is expected to ensure in some form.

Government have signalled the intention to both expand and taper this support indicating a significant transition period for many employers and employees. The payment and the revenue commissioners work to establish a delivery mechanism for paying out income through the revenue system, in a recovery context, to support workers returning to employment, and as a form of in work subsidy for short time working, part time employment and underemployment, and/or as a form of employer subsidy of wages in full time employment. The aim would be to taper in economic activity and taper out the cost to the state. While controls are needed to eliminate deadweight (for example limiting its use to most hard hit sectors), it is possible to imagine a TWSS used as a tapered mechanism to allow gradual return to full time work where possible (IES 2020 p 45), with progressive tapering out of the subsidy. Again the employer conditionalities discussed in the previous paragraph could apply here.

Likewise, as in the 1990's development of the Back to Work Allowance Employment and Enterprise, it is possible to develop the PUP as a transition mechanism for those presently unemployed as a direct result of Covid 19 lay-offs to return to new or previous employment on a staggered basis. This avoids immediate work disincentives in the context of return to low paid and likely part-time employment.

1.4.3 The role of PEES in supporting job creation and economic recovery

The traditional functioning of PES is to enable fluidity between labour demand and labour supply. Given the scale of job loss it is imperative that PES can support job creation, retention, and enterprise and work cohesively with the range of national and local enterprise institutions, and policies and practices that have already been put into place in the context of the Covid-19 employment supports. The level of supports has never been broached before but there is some learning in the previous recession in terms of the various Action Plan for Jobs, and also in more historical recessions (see NESF No 14, 7 and 9 which reviewed the Jobs Potential of the Services Sector and Work Sharing and Self-Employment, Enterprise and Social Inclusion). We also note recent learning in NESF's just transition strategies and labour market strategies, in the context of climate change. The most important observation that can be made here is that the scale of welfare savings combined with increased revenues mean that most of these measures can be made to pay for themselves.

1.4.4 The role of local employment partnerships, including local employers

Van Berkel et al⁸⁵ note that while employers are regulated to comply with minimum standards, they are also increasingly considered as potential (and voluntary) partners or policy 'co-producers' by (supra-)national, regional or local governments and by agencies involved in implementing ALMPs. Governments can attempt to 'entice' employers to become engaged in promoting the labour-market participation of vulnerable groups in maximizing the effectiveness of local back to work strategies. In this context a number of short and medium-term institutional adaptations that might be considered.

⁸⁵ <http://eprints.whiterose.ac.uk/134543/3/Employer%20engagement%20SI%20Intro%20final%20revised.pdf> p 7

- Local employers must be enabled to have an effective working relationship with the local eco system including existing Local Employment Services, Job Path and Intreo providers as well as private sector recruitment agencies. The networked governance to support these, needs to be efficient and effective, making good use of digital communication to deliver locally focused job retention/recovery placement focused employment services
- There is a need to continue to develop transition teams to be focused in industry level realignment in the context of Covid 19 recovery as well as climate related just transition strategies
- Wage subsidies etc. are likely to be more effective when governments and government agencies deploy them based on insight into employers' motivations, preferences and needs
- More extensive involvement of PES in organisations' recruitment and selection, and retention and progression, practices to counteract organisational factors that impede the hiring and retention of disadvantaged jobseekers

1.4.5 Maximizing local procurement of local services

Local authority based LEOs and county level LCDCs need to focus on maximizing individual and social enterprise. An important opportunity may present in the context of the degree of social innovation and capacity community level organization demonstrated in the context of Covid response⁸⁶(Meitheal informed philosophies can be developed into longer term service cooperatives in the context of a supportive policy framework that includes enabling legislation. In this context, the present government policy overseeing commissioning and procurement of public services needs to be reformed to better enable local services access state funding to align local service delivery with job creation and retention. This alternative co-production approach to procuring public services has much potential for quality local job creation (further discussed in Section 3) and has been implemented successfully in both Scotland and Denmark).

⁸⁶ see Rebecca Solnit 2018 – How Communities Survive

2. WHO needs to be included in a post-Covid 'Back to Work' strategy?

Ireland entered the Covid-19 era in a formal state of full employment (4.8%, Dec 2019) but, as outlined in the Introduction, it was also a labour market that did not work for everyone - with many working-age people depending on inadequate income supports, and others in low paid precarious employment. Many people were left behind after the financial crisis without adequate supports to enable them to access quality sustainable employment opportunities, and it is possible that these cohorts will be left behind again in a post Covid environment. Many experience significant health, care and public transport barriers and/or are low skilled with poor education, literacy and English language acquisition. IES⁸⁷ (2020 p 16) forecast that many of the structural challenges including uneven regional and local levels of unemployment and under-employment will be exacerbated by Covid-19. Ensuring those newly unemployed are a focus for policy and that they do not become long-term unemployed cannot be at the expense of others. Work first approaches may well work for those who are job ready, but such an approach will not prioritise longer term and more intensive interventions that are required for people facing multiple and complex barriers to labour market access.⁸⁸ A Public Employment Eco System (PEES) approach allows us to see how employment services can be available for all who might need them, with state-funded caseworker-led mediated services targeted at those who need them most.

Equality as a principle does not mean the same service for all but differentiating services to meet different need and to seek to generate more equal outcomes. While the SDG focus of leaving no one behind guides us towards investing in those most vulnerable, there are also significantly differentiated experiences depending on where people live, rural or urban and regionally, and within cities and towns. The local dimension of assessing and meeting needs is therefore crucial and the need for networked governance in this respect cannot be under-estimated (See Section 3.1.2).

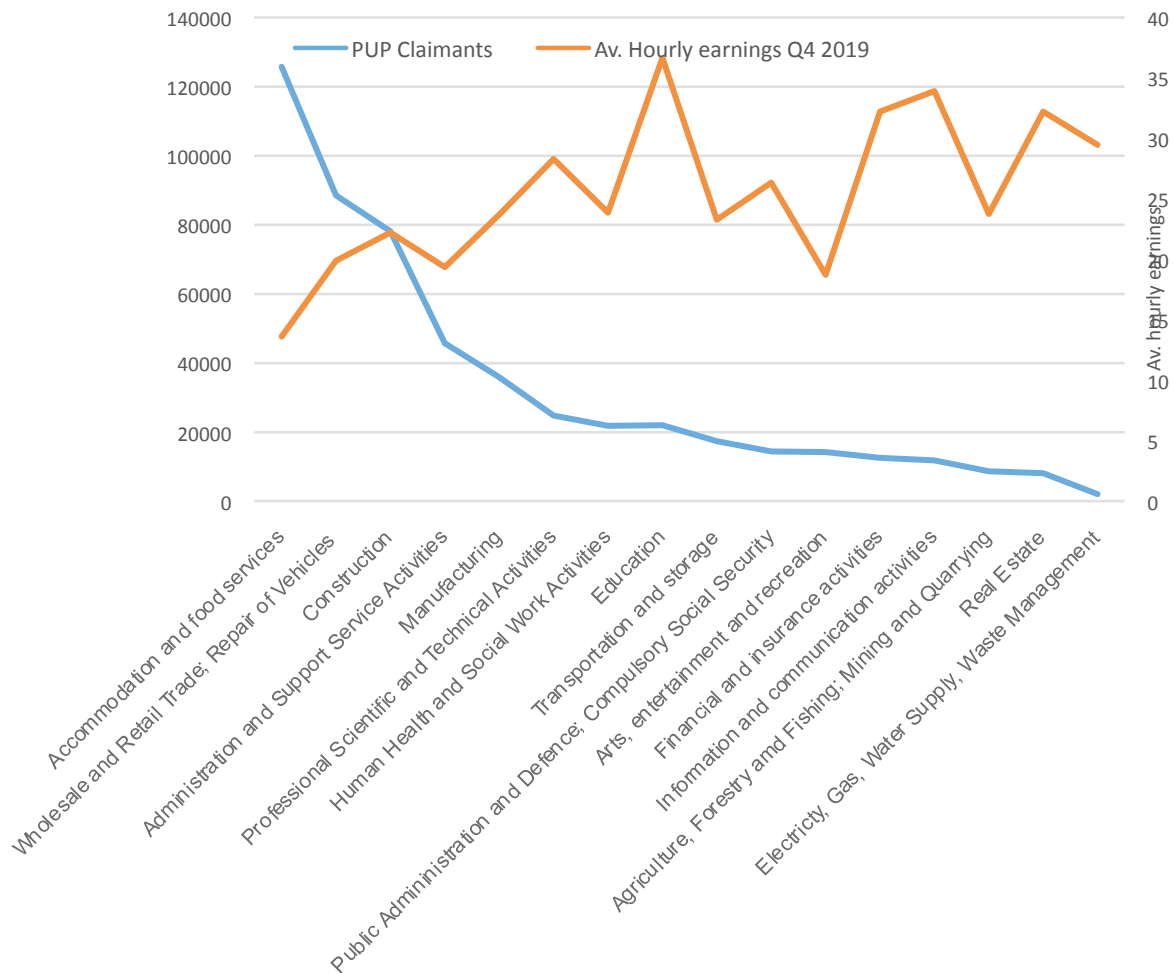
Particular groups including people who are homeless, those who live with addiction, people with criminal records, or who experience ethnic or other forms of discrimination, face specific barriers to employment and often need integrated supports delivered through anchored services and stable relationships with long term key workers. Such services need to be included within the Public Employment Eco System. The Public Sector clause in the 2014 legislation enacting the Irish Human Right and Equality Commission can be used proactively to enhance the equality provisions with the public employment eco system. In particular care must be taken in policy design and implementation to avoid dual conditionalities where claimants find themselves pulled between competing obligations in different welfare services. Policy needs to be mindful that most groups in precarious lives have intersectional experiences of marginalisation. While we separate below key groups according to one dimension we are mindful that people experience intersectional lives often experiencing multiple individual and structural barriers. What they all have in common is the likelihood of low pay, part-time and low quality employment. We explore this in the following section.

⁸⁷ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

⁸⁸ McQuaid, R., & Fuertes, V. (2014). Sustainable integration of the long term unemployed: From Work First to Career First. *Sustainable economy and sustainable employment*, Munich: Rainer Hampp Verlag, 359-373.

2.1 Low-paid workers

Figure 10 Pandemic Unemployment Payment Claimants by Sector and Average Hourly Earnings



Sources: Data on PUP claimants are taken from DEASP 2020 (<https://www.gov.ie/en/news/a49552-update-on-payments-awarded-for-covid-19-pandemic-unemployment-paymen/>). Data on Q4 2019 earnings are taken from CSO Labour Force Survey data (<https://www.cso.ie/en/releasesandpublications/er/elcq/earningsandlabourcostsq32019finalq42019preliminaryestimates/>).

As we saw in the introduction the sectoral composition of job loss was such that low paid sectors fared worst, including retail, food and accommodation. This draws attention to how structurally the indigenous Irish labour market is characterized by a stubborn cohort of low productivity firms employing poorly paid low skilled workers, characterised by a ‘low learning trap’.⁸⁹ Young people, women and migrants comprise the largest share of low pay and precarious employment.

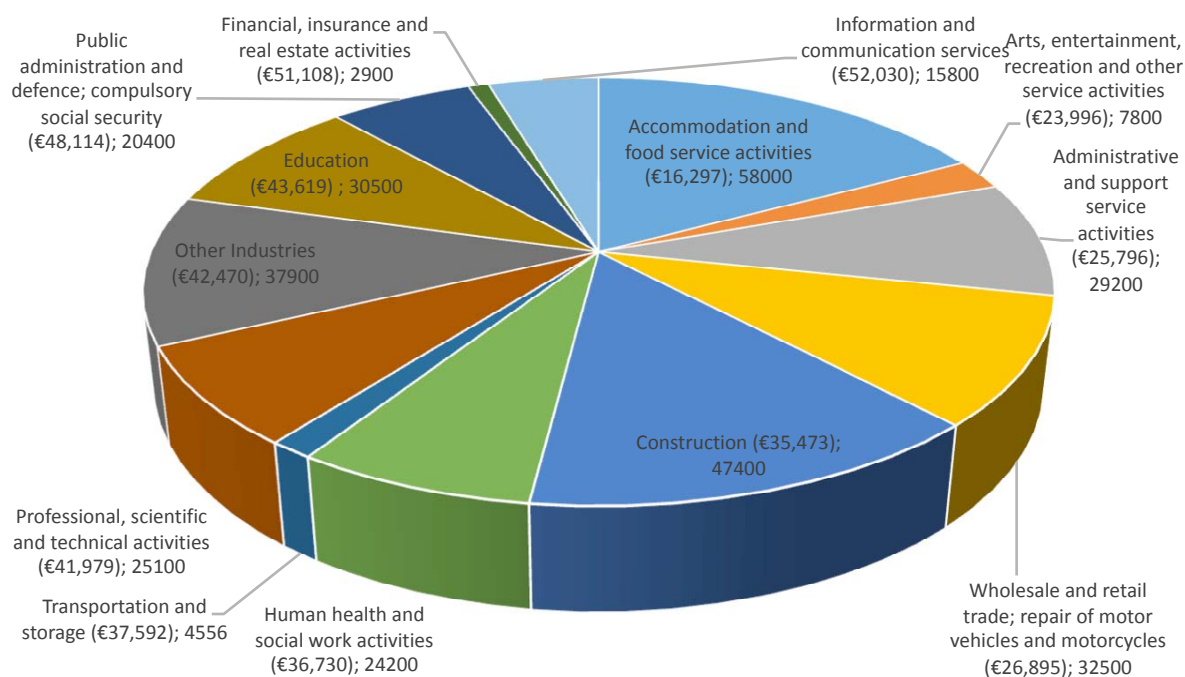
Already before the coronavirus, low pay was pandemic in Ireland. The most recent data on low pay in Ireland suggests that almost one in four Irish workers are in low-paid jobs, defined as jobs that pay below two-thirds of median earnings.⁹⁰ Much of the employment growth during the years of

⁸⁹ Riain, S. Ó. (2017). Ireland’s low learning trap. *Administration*, 65(4), 31-38.

⁹⁰ Social Justice Ireland (2020) *Low Pay in Ireland is Still a Huge Issue*. <https://www.socialjustice.ie/content/policy-issues/low-pay-ireland-still-huge-issue>.

economic recovery has been concentrated in lower-paying industrial sectors. Figure 9 below shows the increase in the number of employed workers by sector over the period 2012 – 2018. It also shows, in brackets, the average total earnings of workers employed in those sectors in 2012 compared with average total earnings across the economy of €36,065 in 2012. While average earnings is a somewhat crude measure of job quality that also conceals significant variations in pay rates and earnings within sectors, the data show that more than half of the increase in employment over 2012 – 2018 was concentrated in low-paying industrial sectors. Moreover, well over a quarter of the increase in employment was accounted for by employment growth in industries where average annual earnings were more than €10,000 below national average earnings in 2012. This reflects the more part-time and contingent nature of work in these sectors, although they are also sectors where hourly rates of pay are comparatively low.

Figure 11: Employment growth by sector and average annual earnings 2012-18⁹¹



Women, young people and migrants comprise the largest share of low pay and precarious employment. Importantly, depending on how they align the balance between compensatory, regulatory, and enabling⁹² forms of support, active labour market policies can aggravate and deepen in-work poverty and the pandemic of low-paid employment. In particular, one of the major concerns in relation to ‘work first’ models is their potential to put downward pressure on wages and conditions by ‘ratcheting-up’ the supply of labour for jobs at the periphery of the economy and reducing unemployment benefit levels to reset the terms of ‘what constitutes acceptable work’⁹³.

⁹¹ Source: Data on average annual earnings and employment growth by sector extracted from Central Statistics Office data. Data series: EHA04: Total Annual Earnings and Other Labour Costs by Type of Employment, NACE Rev 2 Economic Sector, Year and Statistic.

⁹² Brodtkin, E. Z., & Larsen, F. (2013). The policies of workfare: At the boundaries between work and the welfare state. In *Work and the Welfare State*. Georgetown University Press.

⁹³ *ibid.* pg. 58

While a living wage policy is needed and while enterprise policy can advance the productivity of such firms, policy also needs to focus on ALMPs, education and training, apprenticeship and traineeships, and on creating and promoting a culture of life-long learning for low skilled workers both in and out of employment. There is a tension between short-term work first strategies that deny people access to education and training, and training-first, education-first or career first strategies that incorporate a Human Capital Development model. This moves beyond work first thinking, aiming to facilitate skill and competence development, thus improving sustainable access, long term employability and in-work transitions⁹⁴. This type of approach emphasises links to well-funded education and training and recognises the importance of integrated services to address work related barriers, for example links with drug services, health providers, care sector etc. It also addresses the structural low learning trap. A new social contract needs to include a ‘social wage’ and ‘a living wage’ as part of a Back to Work Strategy. Enterprise policy needs to advance the productivity of indigenous firms, and combine with education and training, apprenticeship and traineeships, and life-long learning for low skilled workers in and out of employment. New forms of employment protection legislation need to safeguard against negative, perilous forms of atypical work. The key to a high road recovery instead of a low one, so that this time all boats do truly rise together is IT education. Digital exclusion is determined not by age but by class and previous education. PEES should offer a point of contact for everyone to ensure they have sufficient access to quality digital communication training. Looking to the future this is essential not only to access employment but also to access essential services including employment and guidance services.

2.2 Gender

The Irish labour market is highly gender segregated and Covid-19 has had demonstrable short-term gender impacts, leading to female unemployment levels being higher than male⁹⁵. A post Covid-19 Back to Work Strategy has to be explicitly gendered in its intent.

Labour activation to date has been a male breadwinner shaped activation, which requires availability for full time work and which has not been as effective at lowering female unemployment as male unemployment. For example, the number of women remaining on the Live Register in February 2020 (79,020)⁹⁶ was still considerably higher than in February 2007 (63,760).⁹⁷ While this partly reflects a new emphasis on activating lone parents (albeit lone parents on job seeker transition payments are not included in these figures), it also illustrates a slower decline in the number of women on the Live Register compared with men during the economic recovery.⁹⁸ In particular, while the number of men on the Live Register for one year or more (i.e.

⁹⁴ Peck, J., & Theodore, N. (2001). Exporting workfare/importing welfare-to-work: exploring the politics of Third Way policy transfer. *Political geography*, 20(4), 427-460.

⁹⁵ With the exception of construction, the sectors most hit by Pandemic Unemployment were sectors with high concentrations of female employment. For instance, in Q4 2019, women account for 55 per cent of all those employed in Accommodation and Food Services; 49 per cent of all those employed in Wholesale and Retail Trade, and; 41 per cent of all those employed in Administration and Support Services. Data extracted from the CSO Labour Force Survey. See: <https://www.cso.ie/en/releasesandpublications/er/lfs/labourforcesurvey/lfsquarter42019/>

⁹⁶ Central Statistics Office, Seasonally Adjusted Live Register Data February 2020.

<https://www.cso.ie/en/releasesandpublications/er/lr/liveregisterfebruary2020/>

⁹⁷ Central Statistics Office, Live Register Data for February and March 2007.

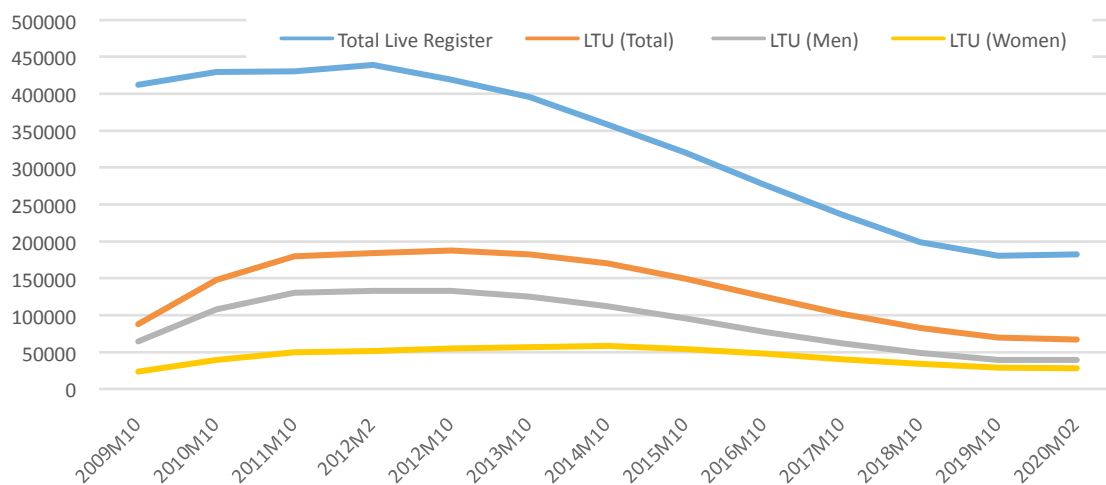
https://www.cso.ie/en/media/csoie/releasespublications/documents/labourmarket/2007/lreg_mar2007.pdf

⁹⁸ See Department of Employment Affairs and Social Protection (2019) *Working paper: Evaluation of Job Path outcomes for Q1 2016 participants*, p.12. <https://assets.gov.ie/36499/ffdce98cddc34addb05cf41a70aaf4e7.pdf>.

long-term claimants) massively declined from just over 133,000 in February 2012 to just over 39,000 in February 2020, almost 27,000 women on the Live Register in February 2020 were long-term claimants compared with just over 51,000 in February 2012. Indeed, the data in Figure 8 shows that the number of women on the Live Register for a year or more was actually higher in February 2020 than it was in October 2009⁹⁹ while the total number of long-term claimants declined *only marginally* over this period.

In addition, despite some progress with pilot schemes little has been done to address the need of 88,040 claimants of working age payments, over 13,000 claimants of unemployment schemes and 26,000 claimants on illness and disability payments who also claimed for a QA in 2017.¹⁰⁰ It is important to note that over 90% of QA's are women indicating the degree to which the Irish welfare system still reinforces a male bread winner paradigm.¹⁰¹

Figure 12: Number of claimants on Live Register, by duration and gender



Source: Data extracted from Central Statistics Office database, data series LRM11: Persons on the Live Register by Age Group, Sex, Duration and Month

Covid-19 has also brought into the public domain the reality of largely unpaid and invisible care economy in which women dominate. Coping with family realignment in the context of adjustments made over Covid-19 could mean a reinforcement of traditional care roles whereby unemployed women will in the short term respond to care and domestic needs, and may not look for another job and be counted as 'economically inactive' (IES 2020 p24)¹⁰². A Covid Recovery Plan will need to

⁹⁹ This is the earliest point that data on duration of registration for people on the Live Register are included in the Central Statistics Office database.

¹⁰⁰ Ibid

¹⁰¹ NESG (2019). Gender, family and class issues in Ireland's social welfare system.

¹⁰² Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

address the issue of access to labour market supports and employment services for those not registered or in receipt of a job seeker payment.

While the employment rates among lone parents in Ireland have been increasing, Ireland continues to have one of the lowest employment rates for lone parents in the EU and the lowest out of the EU-15 countries.¹⁰³ Lone Parents, 98 per cent of whom depend on income supports, are particularly vulnerable to poverty and deprivation and have suffered significantly in the context of Covid-19. Lone parents are in need of work-life approaches to activation which contextualise employment in the wider gendered morality where care obligations dominate decision making and where part-time employment is often the only option, but is likely to be low paid. A careful activation policy is one which acknowledges and accommodates the importance of care-work in client's lives and which acknowledges and supports legitimate decisions to work part time.

2.3 Young People

Irish youth, who suffered a lethal cocktail of unemployment, emigration, high rents, mortgage arrears, welfare cuts and homelessness as the legacy of the 2008 recession, may suffer significantly from the long-term implications of the Coronavirus pandemic. Employment services, public, private and not-for-profit, need to be mindful that over 100,000 young people are 2020 graduates from school or university with no guidance scaffold into an uncertain world with less jobs. Youth unemployment translates into high incidences of mental ill health, youth suicide and self-harm. Wilson et al. point to considerable lifetime income scarring associated with youth unemployment.¹⁰⁴ The global impact of Covid-19 and travel restrictions will prevent migration playing its historical safety valve option. Of course, not all young people suffered and scarring is not equally distributed. Those on low income, ill health, disability, ethnicity and educational disadvantage also experience more labour market insecurity.

Over the last decade, welfare and labour market policy was manifestly unfair in terms of intergenerational justice. We saw corrosive intergenerational distributional outcomes in housing policy, lower wages and pensions for new (young) public sector entrants, an expansion of sanctions and poor-quality labour market programmes including the discontinued Job Bridge. There were controversial age-related reductions in social welfare payments for young people and derogatory political discourse targeted at young people to justify these cuts, while younger people became vulnerable to homelessness. Low pay is epidemic for young people, 50 per cent of those aged 15-24 in employment took home less than €292pw in 2018, while half of 25-29 year olds took home less than €465. The Nevin Institute (2020) shows high levels of in work poverty.¹⁰⁵ Like the previous recession, a disproportionate share of the burden of Covid-19 unemployment will fall on young people. The under 35-age group made up only 32 per cent of employment in Q4 2019 but comprise 53 per cent of the new additions to the live register. Since February, the unemployment rate among young workers – those under 25 years of age – has increased from 11.4 per cent to 32.4 per cent,

¹⁰³ Society of St Vincent de Paul (2019) *Working, Parenting, and Struggling*. See <https://www.svp.ie/getattachment/6cd5834e-a8cf-48bf-b14c-82227aa5bc61/Working.-Parenting-and-Struggling-Full-Report.aspx>.

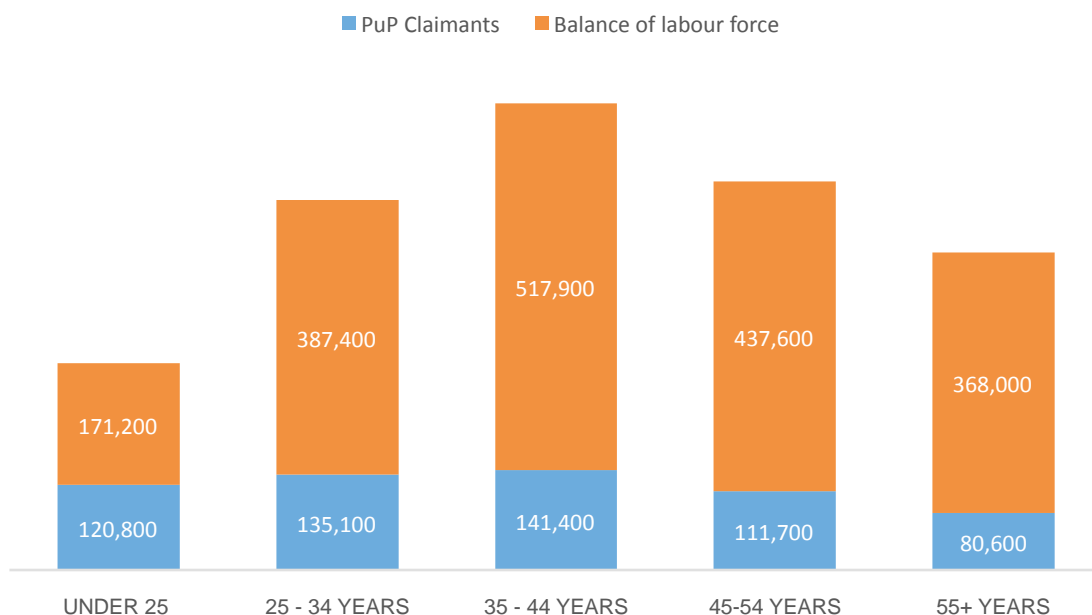
¹⁰⁴ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

¹⁰⁵ <https://www.nerinstitute.net/research/work-poverty-republic-ireland>

taking into account those on Pandemic Unemployment Payments.¹⁰⁶ In fact, as shown in Figure 11, over 41 per cent of the labour force within this age group are now in receipt of the Pandemic Unemployment Payment along with a quarter of the labour force aged between 25 and 34 years of age.

Thoughts now turn to tapering this payment. A realignment or levelling down to less generous established welfare payments is particularly justified for young people for whom issues of employment incentives have been identified.¹⁰⁷ However, there are also issues of income adequacy, a ‘normalization’ strategy could also level up the present under 25s jobseekers payment (€112.70 since Budget 2020). While welcome that some young people who live independently and receive housing supports are in receipt of the full rate of €203, for many however the operation of parental income means testing for under 25s who live in the family home will mean income may reduce from the PUP €350pw to nil. Is this appropriate in the present context?

Figure 13: PuP Claimants by age and as an estimated proportion of labour force cohort, April 2020



Source: DEASP administrative data as at 12 May 2020.¹⁰⁸ The labour force estimate for each age cohort is based on 2019 Q4 Labour Force Survey data.

The concept of a Youth Guarantee, similar to that piloted in Ballymun in 2013, needs to be developed as a part of post-Covid recovery¹⁰⁹. The idea of a European Union Youth Guarantee was launched as part of the Irish 2013 EU presidency. Piloted in Ballymun, it can be developed as a part

¹⁰⁶ Central Statistics Office, Monthly Unemployment Data for February and April 2020. The April data includes people in receipt of the Pandemic Unemployment Payment. See:

<https://www.cso.ie/en/releasesandpublications/er/mue/monthlyunemploymentapril2020/>.

¹⁰⁷ i Beirne et al. (2020) *The potential costs and distributional effect of Covid-19 related unemployment in Ireland*. Economic and Social Research Institute. Available at: <https://www.esri.ie/system/files/publications/BP202101.pdf>.

¹⁰⁸ See: <https://www.gov.ie/en/news/a49552-update-on-payments-awarded-for-covid-19-pandemic-unemployment-payment/>.

¹⁰⁹ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) *Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession* London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

of post-Covid recovery. Integrated services need to link employment supports with drug services, health and care providers, homeless services etc. In all of this, we need to treat young people not with suspicion but with respect. There is danger in the panic we all feel of a divisive discourse emerging which stigmatises and blames young people, we need to consciously avoid this. Any guarantee therefore needs to be built on choice, high quality co-creation and respect, it needs to be open to all young people, including those with no entitlement to income support and it needs to be closely developed with employers with a focus on job relevant apprenticeships, traineeships and work experience (IES 2020 P 40)¹¹⁰.

At the other end of the age spectrum are older workers who will also face structural discrimination. Wilson et al. note a good practice model of employment support, 'Perspekiye' first developed in Germany for the 50+ worker, which provides not only older people but those with needs, with more intensified support.¹¹¹

2.4 People living with disability

The 3% employment target for people with disabilities in the public sector has not been reached. Old figures, from the National Disability Survey 2006 (CSO, 2010) indicated that of the adults with a disability who were working, over half (52%) worked in the private sector and about one-third (31%) in the public sector. The percentages were similar when considering the younger age group separately (18-34 years), with 56% in the public and 24% working in the private sectors¹¹².

Not surprising then that a recent EU Commission Report country report estimates that Ireland has one of the lowest employment rates for people with disability in the EU, with the employment rate among this cohort (26.2% in 2017) about half the EU average (48.1%).¹¹³ The 2015 Comprehensive Employment Strategy for People with Disabilities (2015-2024) set out a ten-year approach to ensuring that people with disabilities, who are able to, and want to work, are supported and enabled to do so. The 2017 report Making work Pay for People with Disabilities reflected a key strategic priority to address the complex interactions between the benefit systems, including the Medical Card, the additional costs of work associated with a disability, and the net income gains in employment and how to regain benefits when needed. People with disabilities, particularly those living in congregated settings, have been particularly vulnerable in the context of Covid-19.

The Covid-19 recovery period will need to ensure the network of 'Employability' employment services are supported to ensure recent progress is advanced and that people with disability are not once again left behind. We note the recent successful voluntary models for those who are much more disadvantaged in the labour market, like the Supported Employment approach for disabled people in the UK. The EmployAbility service needs to be extended and better marketed to facilitate capacity-building around the recruitment, selection and retention of employees with disabilities. Current funding mechanisms, such as wage subsidies to support people with disabilities in the workplace, need to be reviewed. Consideration should be given to a refocusing of the wage subsidy provision towards the expansion of a capacity-building service¹¹⁴ but such financial incentives are

¹¹⁰ ibid

¹¹¹ Ibid, p.36.

¹¹² <http://nda.ie/Policy-and-research/Research/Research-Publications/Transitions-from-Education-and-Training-to-Employment-for-People-with-Disabilities.html>

¹¹³ https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-ireland_en.pdf

¹¹⁴ <http://nda.ie/Policy-and-research/Research/Research-Publications/Transitions-from-Education-and-Training-to-Employment-for-People-with-Disabilities.html>

likely more effective when organisations work together to shape the institutional environment and when employers more fully understand the experiences of people with disability.

2.5 Ethnicity

The SSGT (2019) report *Mincéir Gruber Malaid Streed What Next for Traveller Employment*¹¹⁵ notes the endemic 82% unemployment rate for the Traveller community. There are low levels of educational attainment and second level school completion and little structured support to enable young Travellers to access and stay in apprenticeships. Adults, men and women have few appropriate training and education opportunities and find it hard to progress into and retain employment. The 2018 Roma Needs Assessment, a mixed-methods study, based on human rights and equality frameworks recommend targeted training to support labour market activation of Roma in key areas and provision of support to Roma in ensuring documentation for social protection applications. The National Traveller and Roma Inclusion Strategy (NTRIS, 2017), has no time bound targets or indicators, and Travellers and Roma remain invisible as a target group in most labour market strategies.

Ireland has experienced inward migration since 1996, and while a diverse range of migrants with various legal entitlements have since made Ireland their home, Rojas (2020)¹¹⁶ finds a cohort of migrants work and live in a hyper-precarious world where low paid and precarious employment bleeds over into family life. Absence of access to education, training and labour market supports impede progression, as does the degree to which people fall into undocumented status. Asylum seekers, only recently granted a limited right to work, face particular barriers, including transition from Direct Provision into independent living, and need guidance about accommodation, employment, education, training, social welfare entitlements and integration into local communities.

The essential work of migrant workers in the health and care sectors have been applauded over the crisis but remains low paid and precarious (while precarious working conditions involving multiple care locations that have been associated with spread of the virus in nursing homes experiencing Covid-19). The dominance of migrant labour in the food and accommodation sectors means that migrants have been particularly hit by pandemic related unemployment (Rojas 2020). MRCI (2020)¹¹⁷ welcomes the 2020 policy initiative of the Department of Employment Affairs and Social Protection which enables the PUP to be available irrespective of immigration status¹¹⁸. This demonstrates that policy can be inclusive of precarious migrant workers, a documentation amnesty should be part of an undocumented strategy.

¹¹⁵ <https://www.ssgt.ie/wp-content/uploads/2019/05/TEGPreportwebsiteMay19.pdf>

¹¹⁶ Rojas P (2020) *Liminal Lives: How Ireland's Labour Migration Regime Entraps Migrant Households in Hyper-precarity* PhD unpublished Maynooth University

¹¹⁷ <https://www.mrci.ie/2020/04/29/temporary-arrangements-for-change-of-permission-applications/>

¹¹⁸ PUP can be accessed by non-EU/EEA workers and students who have lost employment due to the COVID-19 (Coronavirus) pandemic irrespective of immigration status a student (and non-EU/EEA students, stamp 2 and stamp 1g) who have lost employment due to the COVID-19 (Coronavirus) pandemic.

3. HOW? A capability re-focus of institutions, governance, digitalisation and income support

Following the previous economic and financial crisis, Public Employment Services (PES) in Ireland were substantially reformed. Among the key changes were the merging of benefits administration and the former national employment and training service to create a 'one-stop' activation service, Intreo. The role of non-government agencies in delivering elements of PES also grew as the country sought to cope with a fourfold increase in unemployment and surge in demand for active labour market services. Significantly, for the first time, a 'quasi-market'¹¹⁹ in employment services was created with the introduction of the JobPath programme.

As a result of these governance and operational reforms, Ireland's PES are now better positioned to adapt to a surge in the number of people requiring labour market re-integration. Compared with 2010, the country's institutional capacity to deliver employability support is far higher. Nevertheless, the Covid-19 crisis will, in all likelihood, stretch this capacity beyond its limits and further operational reforms will be required to cope with the additional demand for services and the duration of unemployment that those who have lost their jobs will experience. IES (2020 p 23)¹²⁰ note the need for call off contracts (specialised contracts within an agreed framework) to increase the number of case workers using professional recruitment and individual services for the job ready but also arguing for a 1:100 case worker client ratio for services working to provide guidance for those more distant from the labour market, those working with those most vulnerable.

This time around, PES will be required to support the labour market re-integration of more people than ever before, and for longer periods. Moreover, as we have highlighted elsewhere, a great many of the clients and jobseekers that PES will be working with may have experienced some degree of collective and/or personal trauma from not only the shock of sudden and prolonged unemployment but also the wider impacts of the pandemic on family and personal life. Thousands – and potentially tens of thousands - will be emerging from this pandemic grieving the death of loved ones, family members, close colleagues and friends. Initiatives to reintegrate them into employment must be cognizant of jobseekers' very real needs for psychosocial rehabilitation and recovery. This, we suggest, requires a careful, capabilities-informed rather than regulatory or 'work-first' model of activation. That is, a model of activation that allows time for empathy and the rebuilding of relationships rather than threatening vulnerable jobseekers with punitive sanctions and demanding job-search conditionality when the overall availability of jobs will be extremely limited.

A further factor contributing to the challenging context facing Ireland's post-Covid PES is the uncertainty that already surrounds the future of contracted services beyond 2020, including both JobPath and the Local Employment Services Network. DEASP's approach to commissioning PES was already under-review before the pandemic and a new model for the future of contracted PES

¹¹⁹ The expression 'quasi-market' refers to how social services markets differ from conventional markets in several ways. See: Le Grand, J., & Bartlett, W. (1993). Quasi-markets and social policy: the way forward?. In *Quasi-markets and social policy* (pp. 202-220). Palgrave Macmillan, London. Firstly, purchasing power is typically concentrated in a single government agency or 'monopsony' purchaser. Secondly, the service producers often include public or not-for-profit organisations that are not driven to maximise profits in the same way that retail businesses would be. Thirdly, the service users rarely purchase services directly but rely on the government as a 'collective proxy customer'. Although Germany has experimented with voucher schemes that empower users to exercise purchasing power, in most countries that have created quasi-markets in employment services governments 'simply direct the user to the provision it has bought.' See Wiggan, J. (2015). Varieties of marketisation in the UK: examining divergence in activation markets between Great Britain and Northern Ireland 2008–2014. *Policy Studies*, 36(2), 115-132.

¹²⁰ Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

provision was due to be unveiled later this year. **What this model will now look like cannot but be shaped by the experience of the pandemic and the challenge of persistent, long-term unemployment that lies ahead.**

This raises the important question of which governance mode is best suited to coordinating the commissioning of any further PES capacity in a post-Covid context.

3.1 Governance and institutional reorientation

Within the international literature on PES reforms, three broad modes of governance can be distinguished - although they are best understood as ideal-types with significant overlaps both conceptually and in practice:¹²¹

- *Bureaucratic or procedural governance*, which emphasises formal rules and hierarchical control of policy implementation
- *Network governance* based on providers and funders co-producing and co-developing services (often with the active participation of clients as co-designers)
- *Market governance*, which attempts to achieve policy goals through the specification of outcome targets, use of contracts, harnessing of competition, and price signals in payment models

In addition to these three governance modes, a number of theorists believe that advances in AI and machine learning - and their application to public administration and the delivery of public services - herald the possibility of a new form of *digital era governance* that is characterized by the reintegration and de-siloing of public sector processes and a 'needs-based holism' centred around the development of 'client-focused structures' within government departments and agencies.¹²²

3.1.1 Beyond marketisation

The active labour market pathways that saw Ireland emerge from the last crisis cannot be assumed to also fit the needs of the present crisis. Given the numbers of JobPath participants who have successfully transitioned from welfare back into work, DEASP will no doubt be tempted to deepen its commitment to the use of competitive tendering and Payment-by-Results (i.e. market governance) to commission further activation capacity. However, as reviewed in section 1.2, international experience and the research literature on ALMPs suggests that 'work first', 'Payment-by-Results' programs are likely to be "'fair weather" policies'¹²³ in that they are mainly effectively during periods of economic recovery and expansion: when there is growing demand for labour and a greater availability of low-level, entry labour market positions.¹²⁴ An emphasis on stimulating rapid labour market attachment via job search effort rather than upskilling or training is less effective in 'in situations where labour demand is more sluggish.'¹²⁵

¹²¹ See, for example: Considine, M., & Lewis, J. M. (2003). Bureaucracy, network, or enterprise? Comparing the models of governance in Australia, Britain, the Netherlands, and New Zealand. *Public Administration Review*, 63(2), 131-140; Greer, I., Breidahl, K. N., Knuth, M., & Larsen, F. (2017). *The marketization of employment services: the dilemmas of Europe's work-first welfare states*. Oxford.

¹²² Margetts, H., & Dunleavy, P. (2013). The second wave of digital-era governance: a quasi-paradigm for government on the Web. *Philosophical Transactions of the Royal Society A: Mathematical, Physical and Engineering Sciences*, 371(1987), 20120382.

¹²³ Peck, J., & Theodore, N. (2000). Commentary. 'Work first': workfare and the regulation of contingent labour markets. *Cambridge Journal of Economics*, 24(1), 119-138.

¹²⁴ Greer, I. (2016). Welfare reform, precarity and the re-commodification of labour. *Work, employment and society*, 30(1), 162-173.

¹²⁵ Peck, J., & Theodore, N. (2000). Commentary. 'Work first': workfare and the regulation of contingent labour markets. *Cambridge Journal of Economics*, 24(1), 119-138. P.123.

From this perspective, the outcomes achieved by the JobPath programme need to be interpreted cautiously. As acknowledged in the evaluation of the first year of the programme, while JobPath was broadly effective in increasing employment rates and earnings of participants, these outcomes were achieved during a period of labour market improvement when participants were job seeking ‘in favourable conditions’ and applicants were ‘more likely to be retained in employment.’¹²⁶ The official unemployment rate fell below 7.5 per cent during the first year of JobPath, but it may be several more years before we see a similar pace of economic recovery following the Covid-19 pandemic.

Contracted providers will continue to play an important role in Ireland’s post-Covid PES system, but the model for contracting providers based on Payment-by-Results requires adjustment. The Covid crisis exposed how this kind of back-ended funding model exposes providers to too much financial risk. Without a pipeline of job vacancies to generate placement and sustainment payments, providers are forced to siphon resources out of services in order to reduce their exposure to risk.¹²⁷ As international research on the marketisation of employment services demonstrates, funding models that are heavily skewed towards Payment-by-Results put downward pressure on service quality. They do so because, on the one hand, they discourage ‘risky innovation’¹²⁸ while, on the other, orientating agencies towards adopting standardised models that can be delivered at scale by fewer and lower skilled staff - because these more routinised approaches promise higher returns for lower investment.¹²⁹ Longer term investments in working relationally with clients and building relationships with employers are discouraged by the financial imperative to achieve payable results in the short-term. Also, investments in improving participants’ functioning in domains such as health, housing and education—and in so doing, bring them closer to employment—are avoided if they cannot be assumed to deliver payable labour market attachments.

A further issue is the well-known problem of the incentives to ‘cream’ and ‘park’ clients that are embedded within Payment-by-Results funding models. Paying for results rather than services creates opportunities for agencies to game contract payment models through their ‘frontline selection practices’: internally sorting their caseloads to prioritise those clients considered most profitable and who can be placed into work with minimal investment.¹³⁰

3.1.2 Network governance and service commissioning

A commissioning model that is heavily oriented towards Payment-by-Results corrodes possibilities for a personalised, flexible, and caring model of activation. It embeds a fundamentally risk-averse, short-term, and highly selective approach to supporting people to return to employment. The depressed economic context that PES providers will have to adapt and respond to as Ireland emerges from Covid-19 will only intensify this dynamic. Because of its emphasis on inter-agency collaboration and multilateral coordination, many practitioners and researchers argue that network governance is a more suitable governance mode where service provision involves clients with multiple and complex labour-market barriers that, in turn, requires ‘collaboration across a

¹²⁶ See Department of Employment Affairs and Social Protection (2019) *Working paper: Evaluation of Job Path outcomes for Q1 2016 participants*, p.56. <https://assets.gov.ie/36499/ffdce98cddc34addb05cf41a70aaf4e7.pdf>.

¹²⁷ Greer, I., Breidahl, K. N., Knuth, M., & Larsen, F. (2017). *The marketization of employment services: the dilemmas of Europe’s work-first welfare states*. Oxford. P.141.

¹²⁸ Larsen, F., & Wright, S. (2014). Interpreting the marketization of employment services in Great Britain and Denmark. *Journal of European Social Policy*, 24(5), 455-469. P.463.

¹²⁹ Greer, I., Breidahl, K. N., Knuth, M., & Larsen, F. (2017). *The marketization of employment services: the dilemmas of Europe’s work-first welfare states*. Oxford. P.165.

¹³⁰ van Berkel, R. (2017). State of the art in frontline studies of welfare-to-work: A literature review. In *Frontline Delivery of Welfare-to-Work Policies in Europe* (pp. 12-35). Routledge.

range of stakeholders and users' (p. 21).¹³¹ Wilson et al¹³² in noting what works, stress local, partnership, integrated, and targeted approaches.

Importantly, changes in governance modes alter the power dynamics between service users, service producers, and public managers to affect 'the terms upon which citizens gain access to public services and other public resources.'¹³³ They also bring different assumptions about the drivers of innovation and service responsiveness. Under market governance, the main drivers of innovation and service responsiveness are assumed to be competition for clients and contracts, and the use of results-based payment models. While service users play some part in driving overall levels of service responsiveness within quasi-markets that allow opportunities for voice and exit, it is the competitive dynamics of the contractualised purchaser-provider relationship that is the fulcrum of innovation.

Models of network governance, by contrast, place a far greater emphasis on the importance of collaboration and joint working across and between services which, in turn, depends on inter-agency relationships of mutual trust and reciprocity. Moreover, models of network governance often also emphasise the importance of not only inter-agency collaboration but also active user-involvement in co-producing services and outcomes. Under this governance model, innovation and service responsiveness are propelled by multilateral action and coordinated problem solving.¹³⁴ These multilateral, cooperative networks are argued to bring important informational advantages; for example, by addressing information asymmetry problems and increasing the pool of ideas available to policy actors to draw from when searching for policy or service delivery solutions.¹³⁵ Inter-agency collaboration through forms of network governance may also help to build joint ownership of potentially risky solutions, thereby increasing their likelihood of implementation and avoiding some of the policy execution problems that can derive from top-down governance models.¹³⁶ The contours of the three governance modes are outlined in the table below.

Table 1: Different governance modes for commissioning PES

	Procedural	Market	Network
Steering mechanisms	Rules and regulations	Contracts and performance-related payments	Co-production
Primary virtue	Reliability	Efficiency	Flexibility
Service delivery orientation	Universal, one-size fits all	Price	Clients

Source: Adapted from Considine et al. (2015)

¹³¹ See, for example, van Berkel, R. (2017). State of the art in frontline studies of welfare-to-work: A literature review. In *Frontline Delivery of Welfare-to-Work Policies in Europe* (pp. 12-35). Routledge. P.21; Lindsay, C., Pearson, S., Batty, E., Cullen, A. M., & Eadson, W. (2018). Co-production as a route to employability: Lessons from services with lone parents. *Public Administration*, 96(2), 318-332. P.319.

¹³² Wilson, T. Cockett, J. Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES).

¹³³ Considine, M., Lewis, J. M., O'Sullivan, S., & Sol, E. (2015). *Getting welfare to work: Street-level governance in Australia, the UK, and the Netherlands*. OUP Oxford. P.131.

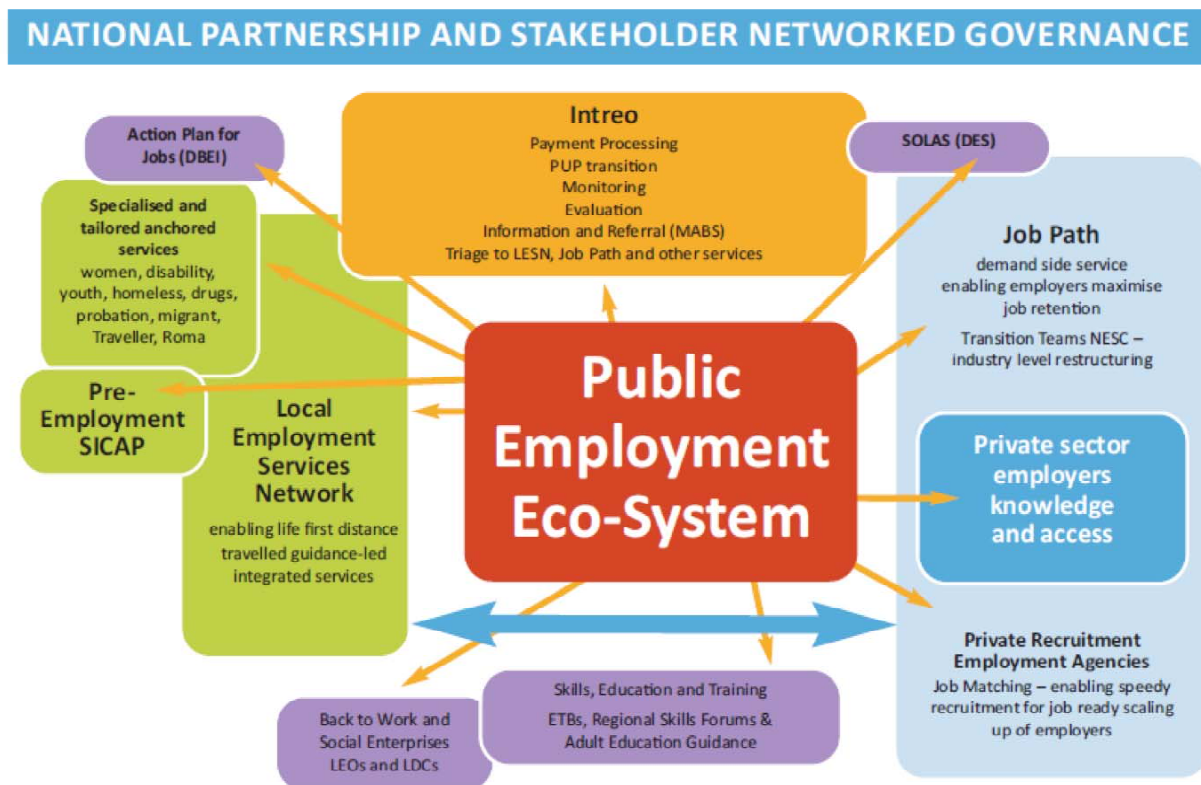
¹³⁴ Torfing, J., & Ansell, C. (2017). Strengthening political leadership and policy innovation through the expansion of collaborative forms of governance. *Public Management Review*, 19(1), 37-54.

¹³⁵ Head, B. W., & Alford, J. (2015). Wicked problems: Implications for public policy and management. *Administration & Society*, 47(6), 711-739.

¹³⁶ Sørensen, E., & Waldorff, S. B. (2014). Collaborative policy innovation: Problems and potential. *The Innovation Journal*, 19(3), 1.

We have proposed a Public Employment Eco System (PEES) as a national system of autonomous institutions, and we believe the governance of this eco system is best coordinated by a national networked system of Partnership Governance, at national, regional and local levels. This can be developed in immediate short term to emerge over the medium term as an evolution of institutional roles in the context of partnership governed PEES. A dialogical or partnership approach to developing the public employment eco system and local employment services therein is consistent with Ireland's historical and contemporary approach to partnership, and more recently, to deliberative forms of government. It replicates learning from the 1990's which focused on task forces, partnerships and integrated service delivery, blended with more 21st century concepts of an enabling or entrepreneurial state. We believe this conceptualization is particularly important in understanding how the various functions of the institutions within this eco system can be adapted in the short to medium term to support the overall need to maintain income supports while also ensuring a transition to supports that enable maximum return to economic participation from both a demand and supply side perspective. The chart below allows us to understand the possible emergence of a medium-term evolution of institutional roles in the context of partnership governance.

Figure 14: A PEES –for Covid era recovery/transition

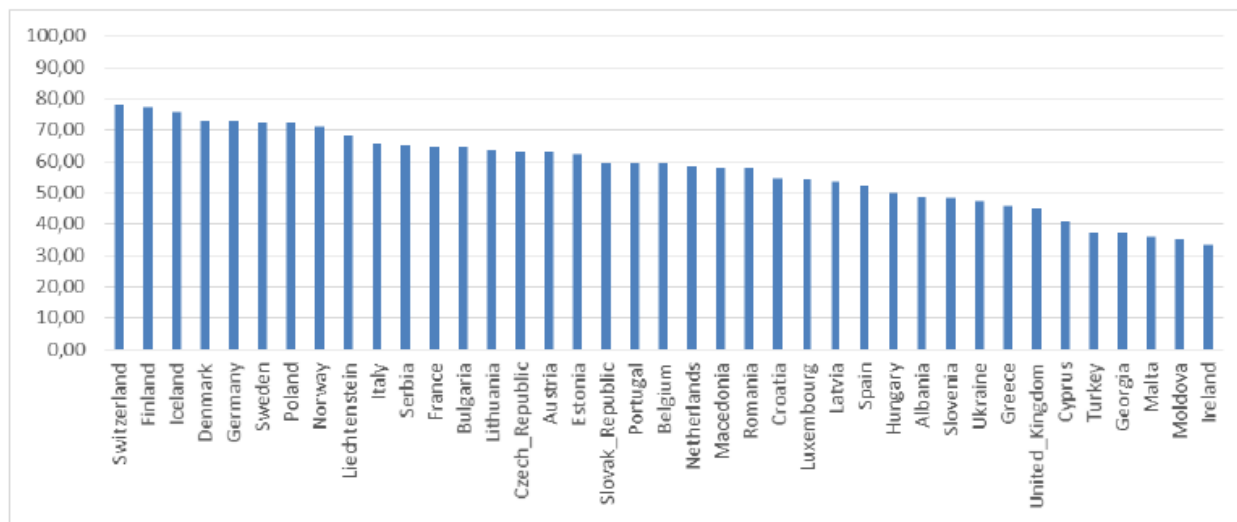


Ireland stands uniquely as a small and hybrid welfare state which falls between the liberal and coordinated model of capitalism, separated from more liberal varieties of capitalism in the degree to which corporate, partnership or dialogical approaches to policy and implementation have played a significant role in our history. We see in the current model of commissioning SICAP, and to a

lesser degree the Local Employment Services, a degree of dialogue between key actors, government departments, agencies and national non-governmental actors. This degree of dialogue reflects a partnership-oriented approach. This understanding of and approach to partnership has been relatively broad encompassing national economic dialogue, consultation with NGOs, collaboration in knowledge production with academics and NGOs.

The dialogical and networked approach could be broadened out quite considerably in the design of activation to encompass a service built on principles of user/client participation, and ongoing local and/or regional input from civil society organisations, and employer bodies, as well as academics and advocates who could, from a governance and dialogue perspective, engage in consultations around various issues including performance frameworks, expectations about servicing standards, building in safeguards to ensure quality of services, having regular multilateral/multi-stakeholder reviews of how the service is functioning etc. This we believe would be entirely appropriate in the context of differing needs in a regional and rural/urban economic, social and demographic context. While Irish local government remains one of the least autonomous in the whole of Europe (see Figure 11) we note that SICAP offers a successful model of decentralised commissioning processed through LCDC's at local authority level.

Figure 15: Local Autonomy Index: Country Ranking 2014



We believe such a partnership approach could also extend to the contracting environment towards a process that results in closed contractualism, but is still consistent with EU procurement obligations.¹³⁷ While examples exist in the EU (see footnote re Denmark), Ireland faces particular

¹³⁷ The partnership model in Denmark has de-centralised all purchasing of employment services to the local, municipal level which has enabled the municipal level job centres to develop partnership approaches to contracting external activation services, often from NGOs in consultation with unions and social partners and resulting in a very 'handpicked contractualisation', as an alternative to competitive tendering. This is considered in keeping with EU procurement obligations in the context of social services of general interest exemptions. This reconfiguration of marketisation and shift towards partnership-based approaches in Denmark has mainly been enabled by the decentralisation of purchasing decisions. This has enabled innovation, while employment services is still a large industry, the staff composition of those employed has changed with focus on targeting and servicing the needs of vulnerable people rather than the previous practice of processing people through the system. We note Norway is also attempting to blend marketisation with networked and collaborative models.

challenges in moving beyond the purchaser-provider relationship to encompass a decentralised commissioning process. This is the case whether a public employment services ecosystem is supported by either, decentralised and locally networked commissioning processes, or remain centrally managed. Nonetheless the principle of dialogue and partnership suggests approaches which involve commissioning for co-production, and involving civil society organisations in the full cycle of commissioning processes.¹³⁸ The focus on an active enabling integrated eco system of institutions can be paralleled or complemented with a human rights and capability informed approach to a PES that seeks to enable users participation, voice and input into activation policy and practices so that they might be as efficacious as possible in maximizing options and broad outcomes.¹³⁹

3.2 Co-production

Closely related to the model of network governance is a growing emphasis on ‘co-production’ as a key pathway for promoting employability and labour market re-integration. As previously shown in Table 1, ‘co-production’ is the key steering mechanism underpinning the model of network governance. It is closely related – even synonymous with – to the concept of ‘co-creation’ and is based on the recognition that citizens and service users are not simply passive agents on the receiving end of services but integral policy actors.¹⁴⁰ This is not least due to the unavoidability of user participation in service production (Osborne et al. 2016) and ‘as essential to making a service actually work by going along with its requirements’ (Bovaird and Loeffler 2012;1122). To take a very basic example, municipal waste recycling schemes depend on whether citizens assist by separating different types of garbage, thereby co-producing the recycling service (Voorberg et al. 2006).

The embrace of co-production denotes the ‘*active involvement*’ of end-users’ as partners in various stages of the design, management, and delivery of public sector activities.¹⁴¹ It is animated by the idea that citizens and other affected users should be treated not as ‘passive subjects’ merely on the receiving end of services but as ‘huge untapped resources’ whose knowledge and experience can be mobilised as ‘a lever of public innovation.’¹⁴² According to Nabatchi et al. co-production fundamentally requires the involvement of members of the public (or ‘*lay actors*’), be they citizens, clients and/or consumers, in co-creating public value with ‘state actors’ serving in a professional capacity as policy designers, bureaucrats, or frontline service workers.¹⁴³ In the context of public employment services systems, these ‘state actors’ can be extended to include the community-sector

¹³⁸ See, for example: Rees, J. (2014). Public sector commissioning and the third sector: Old wine in new bottles?. *Public Policy and Administration*, 29(1), 45-63. Lindsay, C., Pearson, S., Batty, E., Cullen, A. M., & Eadson, W. (2018). Street-level practice and the co-production of third sector-led employability services. *Policy & Politics*, 46(4), 571-587.

¹³⁹ See Laruffa, F. (2020). What is a Capability-enhancing Social Policy? Individual Autonomy, Democratic Citizenship and the Insufficiency of the Employment-focused Paradigm. *Journal of Human Development and Capabilities*, 21(1), 1-16.

¹⁴⁰ Voorberg, W. H., Bekkers, V. J., & Tummers, L. G. (2015). A systematic review of co-creation and co-production: Embarking on the social innovation journey. *Public Management Review*, 17(9), 1333-1357. Torfing, J., Sørensen, E., & Røiseland, A. (2019). Transforming the public sector into an arena for co-creation: Barriers, drivers, benefits, and ways forward. *Administration & Society*, 51(5), 795-825.

¹⁴¹ Voorberg, W. H., Bekkers, V. J., & Tummers, L. G. (2015). A systematic review of co-creation and co-production: Embarking on the social innovation journey. *Public Management Review*, 17(9), 1333-1357. P.1335.

¹⁴² Torfing, J., Sørensen, E., & Røiseland, A. (2019). Transforming the public sector into an arena for co-creation: Barriers, drivers, benefits, and ways forward. *Administration & Society*, 51(5), 795-825. P.796. Nabatchi, T., Sancino, A., & Sicilia, M. (2017). Varieties of participation in public services: The who, when, and what of coproduction. *Public Administration Review*, 77(5), 766-776.

¹⁴³ Nabatchi, T., Sancino, A., & Sicilia, M. (2017). Varieties of participation in public services: The who, when, and what of coproduction. *Public Administration Review*, 77(5), 766-776. P.769.

and private agencies that are also involved in supporting transitions from welfare-to-work: whether through the provision of case management, training, housing, rehabilitation or other welfare services.

Developing this understanding of co-production, Lindsay et al. define co-production 'as a form of dialogue of equals, where service users and providers co-create personalized services and outcomes.'¹⁴⁴ They connect it to the related concepts of *co-management* – which refers to collaboration across sectors and between stakeholders in resourcing and delivery – and *co-(or network) governance*, which refers to multi-stakeholder participation in the design and planning of services. These different angles on co-productions are best seen as a trinity of intertwined and mutually dependent concepts: where co-management at the resourcing stage and co-governance at the design and planning stage facilitate, and are conditions for, the co-production of employability pathways between service-users, agencies and caseworkers at the street-level. In short, a co-production and network governance approach to PES commissioning entails sharing decision-making between actors and coordinating the overall design, planning and delivery of services via collaborative and trust-based governance arrangements rather than the competitive dynamics underpinning marketisation.

Local Partnerships have been a feature of previous Irish responses to crisis, and one that Wilson et al 2020¹⁴⁵ promote in the form of Local Back to Work Partnerships, bringing together local government, national government, employers, PES, Job Path and LESN, Job Clubs and Employability, Solas, Education and Training Boards and other key local stakeholders including client representative groups. These need to be recontextualised post-Covid to plan and co-ordinate regional and local responses and should be built around existing local partnerships, and the infrastructure of LCDC's, SICAP, and LCP's.

From an efficiency and purely administrative perspective, involving service-users and other affected citizens in designing services and policy responses in partnership with state, civil society and market actors can help to reframe problems in more acute and nuanced ways 'than professionals acting alone'¹⁴⁶; for instance, through overcoming information asymmetries between public administrations and policy users. However, some of the main purported benefits of co-production are more normative in quality. These include building trust in institutions and enhancing democratic accountability in policymaking.¹⁴⁷

As wide a spectrum of people as possible should have access to education, training, active labour market programmes and lifelong learning. Rather than the present system driven allocation criteria which uses such as age, duration of unemployment and welfare status to determine access to programmes it is necessary to trust the practitioners professional opinion and the clients ability to choose. Of necessity the PEES employment guidance services should have a high level of interaction with career guidance services and with regional Education and Training Boards and skills forecasting processes, as well as public, private and community based education and training providers. Eligibility for active labour market programmes should be based on need, on client

¹⁴⁴ See Lindsay, C., Pearson, S., Batty, E., Cullen, A. M., & Eadson, W. (2018). Co-production as a route to employability: Lessons from services with lone parents. *Public Administration*, 96(2), 318-332.

¹⁴⁵ Wilson, T. Cockett, J Papoutsaki Dafni and Takala H (2020) Getting Back to Work Dealing with the labour market impacts of the Covid-19 recession London Institute for Employment Studies (IES) <https://www.employment-studies.co.uk/system/files/resources/files/547.pdf>

¹⁴⁶ Fung, A. (2006). Varieties of participation in complex governance. *Public administration review*, 66, 66-75.

¹⁴⁷ Nabatchi, T., Sancino, A., & Sicilia, M. (2017). Varieties of participation in public services: The who, when, and what of coproduction. *Public Administration Review*, 77(5), 766-776.

choice, robust triage and practitioner recommendation, and linked to the clients own personal progression employment plan.

Some also argue that co-production can help ‘to strengthen social cohesion and build more resilient communities’¹⁴⁸ - through empowering local actors and giving agency to marginalised groups. For example, evaluations of the Making it Work employability programme for lone parents in Scotland showed that commissioning co-produced employability services via localized network governance arrangements not only resulted in an experience of ‘more personalized’, ‘user-informed’ and ‘joined-up’ services ‘but also of empowerment.’¹⁴⁹ However, participation in the Making it Work programme was on a voluntary basis and it may be inherently problematic trying to achieve similar experiences of user-empowerment when participation in employability services is on a mandatory basis and subject to conditionality and sanctions. If user-participation is on the basis of compliance rather than willingness, any sense of participation promoting an experience of user-agency and empowerment seems contradictory.¹⁵⁰

As a governance model, a coproduction-oriented model of network governance aligns well with a capabilities-informed model of activation. This is for several reasons. Firstly, a capabilities-informed model of activation is inherently multidimensional – stressing the interconnection between people’s functionings across several domains such as health, education, or housing for broader flourishing and agency. Similarly, a coproduction-oriented model of network governance recognizes the necessity of inter-agency and cross-sectoral collaboration to address multiple and complex barriers in order to promote pathways from welfare-to-work. Secondly, it treats claimants as active participants in their journey from welfare-to-work rather than passive recipients of services – resonating with the accent of the capabilities’ approach on personal agency and choice.

3.3 Digitalisation

Besides network governance and co-production, digital and online service delivery platforms provide other alternative possibilities for expanding and reforming activation services. This has been a feature of emergency responses to Covid-19 in for example education provision, accessing welfare supports, engaging with primary healthcare. Several countries, most notably, Belgium, the Netherlands and Australia were already moving their PES systems in this direction but Covid-19 is likely to hasten calls for the digitalisation of employment services following brief experiments with moving some welfare and employment services online to maintain social distancing. However, any embrace of digitalisation and online service delivery as a solution to expanding PES capacity must be sensitive to issues of digital exclusion among service users and also the concern that we do not know, as yet, how effective such services are or ‘which clients they might work best for.’ Case management services that can provide personalised counselling and tailored employability supports will remain ‘important building blocks’ that continue to matter for clients return to work ‘and which cannot be substituted for by e-services.’¹⁵¹

¹⁴⁸ Torfing, J., Sørensen, E., & Røiseland, A. (2019). Transforming the public sector into an arena for co-creation: Barriers, drivers, benefits, and ways forward. *Administration & Society*, 51(5), 795-825. P.810.

¹⁴⁹ See Lindsay, C., Pearson, S., Batty, E., Cullen, A. M., & Eadson, W. (2018). Co-production as a route to employability: Lessons from services with lone parents. *Public Administration*, 96(2), 318-332. P.329.

¹⁵⁰ Alford, J. (2016). Co-production, interdependence and publicness: extending public service-dominant logic. *Public Management Review*, 18(5), 673-691.

¹⁵¹ Martin, John P. (2015). Activation and active labour market policies in OECD countries: stylised facts and evidence on their effectiveness. *IZA Journal of Labor Policy* 4. P.29.

Incorporating ICT within the delivery of welfare and employment services has long been a feature of active labour market policies in the OECD. From the early days of the activation turn in social policy, computers partly mediated welfare recipients' interactions with case officers and service providers. Computer terminals for job searching were a constituent element of the active labour market support given to jobseekers in several countries, while electronic assessment tools and computerized case management systems were already in ubiquitous use by the early 2000s.¹⁵² The extent of frontline workers' reliance on ICT system prompted some to declare the early 2000s an era of *screen-level bureaucracy*: where contacts with clients 'always run through or in the presence of a computer screen' and frontline service staff 'are always connected to the organization by the computer.'¹⁵³ Today, levels of computerization in the delivery of welfare and employment services are reaching an altogether different level as the digital interface becomes not just an accessory to the citizen encounter but the medium of encounter itself. Pedersen and Wilkinson, for example, argue that advances in online platforms, data analytics and machine learning are leading to the emergence of 'a new model of the provision of welfare services to citizens.'¹⁵⁴ The client-facing organisations of the welfare state—benefits administration offices and PES agencies—are increasingly becoming 'digital agencies': delivering services online, automating administrative processes, and directly connecting citizens' to the apparatuses of the state 'without having to pass through the usual universal gatekeepers (the agency personnel).'¹⁵⁵ In other words, possibilities are opening up to move beyond screen-level bureaucracy to a new era of what Bovens and Zouridis (2020) term 'system-level' bureaucracy: where ICT and digital systems, rather than human workers, implement the core task of the organisation and discretion over policy implementation shifts from frontline service workers to 'big data' analysts, algorithm programmers, and software designers.¹⁵⁶

For example, since 2010, the Netherlands has been progressively pushing more and more unemployment benefit receipts to self-service exclusively online. Likewise, the Flemish PES in Belgium has pursued a strategy of 'digital first' or digital-by-default where the vast majority of unemployed jobseekers register for, and receive, activation services online via video conferencing, job search functionalities, and direct messaging platforms. Face-to-face interactions and support are reserved for those who face 'digital skills challenges' or who remain on benefits for more than 10 months (ILO 2019).¹⁵⁷ Australia, too, is following the Dutch and Belgian models. It is currently piloting a 'digital first' employment services system which is due to be rolled out nationally in 2022.¹⁵⁸ Under this model, more than half of unemployed jobseekers will be moved to an entirely

¹⁵² See Marston, G. (2006). Employment services in an age of e-government. *Information, Community and Society*, 9(1), 83-103. Also Caswell, D., Marston, G., & Larsen, J. E. (2010). Unemployed citizen or 'at risk' client? Classification systems and employment services in Denmark and Australia. *Critical Social Policy*, 30(3), 384-404.

¹⁵³ Bovens, M., & Zouridis, S. (2002). From street-level to system-level bureaucracies: how information and communication technology is transforming administrative discretion and constitutional control. *Public administration review*, 62(2), 174-184. P.177.

¹⁵⁴ Pedersen, J. S., & Wilkinson, A. (2018). The digital society and provision of welfare services. *International Journal of Sociology and Social Policy*. P.195.

¹⁵⁵ Buffat, A. (2015). Street-level bureaucracy and e-government. *Public Management Review*, 17(1), 149-161.

¹⁵⁶ Zouridis, S., Van Eck, M., & Bovens, M. (2020). Automated discretion. In *Discretion and the Quest for Controlled Freedom* (pp. 313-329). Palgrave Macmillan, Cham.

¹⁵⁷ Finn, D., & Peromingo, M. (2019). *Key developments, role and organization of Public Employment Services in Great Britain, Belgium-Flanders and Germany*. International Labor Organisation. Available at: https://www.ilo.org/emppolicy/units/country-employment-policy-unit-empcepol/WCMS_724913/lang--en/index.htm.

¹⁵⁸ See Commonwealth of Australia (2018) *I want to work: employment services 2020 report*. Available at: https://docs.employment.gov.au/system/files/doc/other/final_-_i_want_to_work.pdf. Also Department of Education, Skills and Employment (2020) *New Employment Services Model*. See: <https://www.employment.gov.au/new-employment-services-model>

online employment services system: self-managing their activation and mutual obligation requirements via apps and digital interfaces, with no face-to-face support. Face-to-face employment services – all delivered by contracted providers – will be substantially reduced and refocused on meeting the needs of the ‘harder-to-help’ jobseekers who face multiple and complex barriers to employment. The assumption underpinning the design is that, by moving much if not most employment services online, this will ‘free-up’ capacity for providers to work more intensively with clients and for longer periods of time. In other words, automating large parts of the system will enable a redirection of resources in other parts of the system so that employment services overall become more responsive and personalised to clients’ needs. The automation of repetitive tasks (e.g. documenting jobseeker compliance) could enable advisors and case managers to shift their focus to the more therapeutic elements of case management. More fundamentally, data analytics and machine learning could be drawn upon to ‘digitally-empower’ the assessment of client needs and customisation of support. The ability to continuously learn from client interactions could enable ‘a more solid foundation for decision-making’ through promoting rapid understanding of ‘what works’ in supporting various categories of clients from welfare-to-work.¹⁵⁹

If this transpires as envisaged, it will mark a significant departure from how ICT has been deployed to date at the frontline of employment services in Australia (and elsewhere) – where the emphasis has been on using computerised case management systems in order to standardise decision-making and monitor case decisions through information auditing. Many scholars have interpreted the history of computerisation in PES to date as part of a ‘political struggle’ to tame the (discretionary) power of frontline workers.¹⁶⁰ Also, the points at which digitalisation has been applied to date have often been at the regulatory components of the system: to increase government capacity to monitor jobseeker compliance, automate sanctioning, and detect ‘welfare fraud’. When the monitoring of jobseeker compliance is automated via applications and algorithms that trigger payment suspensions for missed documentation and appointments, many more jobseekers can become vulnerable to having their payments stopped or reduced because of lack of human oversight. For example, when Australia moved to a new Targeted Compliance Framework that automated the processing of payment suspensions when jobseekers missed appointments and activities scheduled in their job plans, this resulted in an extra one million payment suspensions being triggered over the following twelve months.¹⁶¹

This raises the question as to what institutions we might need to harness the new forms of social coordination and innovation afforded by digital technologies and to support digital inclusion. Digital inequality issues emerging over Covid-19 offer insights into digital limits. These include; difficulty delivering aspects of training due to digital literacy / access particularly at below Level 4; on-line supports assuming a certain level of literacy; lack of audio supports / options, creating new barriers to learning; DEASP online application for payments do not suit many who still need the one to one engagement option. There are also training issues for staff (confidence and competence) to option digital delivery (particularly with regard to more personalised supports e.g. career guidance, barrier identification, trauma, mental health). Therefore monitoring the roll out of digital options in

¹⁵⁹ See Busch, Peter André, and Helle Zinner Henriksen. "Digital discretion: A systematic literature review of ICT and street-level discretion." *Information Polity* 23.1 (2018): 3-28.

¹⁶⁰ For example: Van Berkel, R., & Van der Aa, P. (2012). Activation work: Policy programme administration or professional service provision?. *Journal of social policy*, 41(3), 493-51; Marston, G. (2006). Employment services in an age of e-government. *Information, Community and Society*, 9(1), 83-103.

¹⁶¹ Henriques-Gomes, Luke (2019) The automated system leaving welfare recipients cut off with nowhere to turn. *Guardian Australia*, 16 October 2019. See <https://www.theguardian.com/technology/2019/oct/16/automated-messages-welfare-australia-system>

other countries can inform the optimum balance, while also considering different organisation's strengths in this regard will ensure they are not lost to digitalization strategies.

3.3.1 Triaging and profiling tools

The success of 'digitally enabled' employment services also critically depends on the accuracy of the jobseeker streaming and assessment process. There are several tools in use and under-development to facilitate this process. In Appendix A, we summarise the key features of some of the most high-profile and prevalent examples. In general terms, approaches to jobseeker/participating profiling can be distinguished by whether they are *rule-based*, *caseworker-based*, or *statistically-based* such as Ireland's Probability of Exit (PEX) model and Australia's Jobseeker Classification Instrument. Rule-based approaches rely on administrative eligibility criteria, such as jobseekers' age, benefit category, educational level, and/or unemployment duration to classify jobseekers into client groups for service targeting. They afford caseworkers little discretion or leeway for decision-making in tailoring support to individual client needs. This is in contrast to caseworker-based profiling, which prioritises the professional judgement of caseworkers when assessing client-needs (although this process is often supported by quantitative and/or qualitative tools to assist their decision-making, as countries such as Denmark, Germany, Belgium and Switzerland). Increasingly, however, countries are turning to statistical models to profile clients based on their estimated labour market disadvantage and predicted risk of experience long-term unemployment. In several cases, including Australia's JSCI and Ireland's PEX, these statistical profiling tools are used 'to automatically classify jobseekers' and in ways that override the professional judgement of caseworkers.¹⁶²

Importantly, statistical profiling and other client assessment tools can be used for several different purposes. For instance, we can distinguish between approaches and tools that are deployed mainly for triaging purposes – streaming different categories of claimants into different categories of services – and those, such as Canada's Prime Model, that are used on a more ongoing basis throughout case management to assist frontline workers and clients to formulate personal progression plans that are customised to client needs. Some tools and approaches perform both functions, although this is rare. In the Australian system, the profiling tool also performs a third function. It determines the payment level that providers can receive for outcomes achieved with different clients. These differentiated outcome payments are based on the service stream that jobseekers (who may be on the same payment) are referred into based on the outcome of their initial assessment. The JSCI uses a regression model to statistically profile clients' distance from employment and degree of labour market disadvantage by combining their scores across multiple domains including: work experience, Education Qualifications, Language, Descent-Origin, work capacity, living circumstances, disability and medical conditions, criminal convictions, transport and other personal circumstances that may affect a jobseekers' ability to work. However, JSCI's are frequently conducted via the phone (and some are now also being done online) and rely on jobseekers to self-disclose sensitive labour market barriers such as mental health issues, incarceration, and experiences of domestic violence. As a result, many barriers are routinely missed

¹⁶² Desiere, S., Langenbucher, K., & Struyven, L. (2019). *Statistical profiling in Public Employment Services: an international comparison*. OECD Social, Employment and Migration Working Papers.

by the assessment process with the result that jobseekers are misallocated to the wrong service stream.¹⁶³ This type of work requires dedicated frontline staff who are very capable at their job

This reflects how the profiling of participants and jobseekers—whether for triaging or ongoing case management purposes—is often a *passive* process involving little agency or choice on the part of service users or clients. For example, the Prime Model used in Canada prioritises the professional judgement of the caseworker/mediator over the client while in other countries such as Austria, Italy and New Zealand jobseekers' are profiled for triaging purposes on the basis of administrative data alone.¹⁶⁴ This passive approach to client profiling undercuts a co-production oriented approach, which necessitates treating service users as active participants in personalising their journey from welfare-to-work. This would require treating client profiling as a dynamic, ongoing, and collaborative process: where the outcomes of assessment are negotiated dialogically between service-users and caseworkers, and frequently revisited to update case management and personal progression plans.

A further issue with statistical profiling systems – even in cases where they do not rely on self-disclosure by jobseekers but use administrative data – is that they need to be continuously updated with recent and large-scale data on labour market transitions. Otherwise, estimates about the association between barriers and probabilities of returning to the labour market will be out of date and the profile developed will only be representative of the past, 'not necessarily the present or the future.' As Desiere et al. (2019) argue in an OECD review of statistical profiling instruments: 'With the structure of the economy changing, certain characteristics of jobseekers ... that in the past strongly contributed to quickly resuming work are not necessarily still good predictors today. The same is true for regional labour market information, which also needs to be updated regularly.'¹⁶⁵ Moreover, statistical profiling tools that draw on historical data to predict present recipients' risk of long-term unemployment effectively discriminate against individuals on the basis historical group affiliations and ascribed social identities. This is because they estimate the probability that individuals will return to employment by 'relying on average [historical] probabilities of the group to which the individual belongs.'¹⁶⁶ In so doing, critical commenters such as Henman and Eubanks argue that the embrace of statistically profiling tools and other forms algorithmic governance with welfare and employment services unfairly exposes the poor to 'the rational discrimination of high-tech tools.'¹⁶⁷

From an efficacy perspective, the post-Covid labour market may very well be uncharted times and discontinuous with previous labour market conditions. So, even the most recent statistical models may be largely ineffectual in estimating jobseekers' distance from the labour market and

¹⁶³ For a discussion of this problem in relation to the Australian system see O'Sullivan, S., McGann, M., & Considine, M. (2019). The Category Game and its Impact on Street-Level Bureaucrats and Jobseekers: An Australian Case Study. *Social Policy and Society*, 18(4), 631-645.

¹⁶⁴ Desiere, S., Langenbucher, K., & Struyven, L. (2019). *Statistical profiling in Public Employment Services: an international comparison*. OECD Social, Employment and Migration Working Papers.

¹⁶⁵ Desiere, S., Langenbucher, K., & Struyven, L. (2019). *Statistical profiling in Public Employment Services: an international comparison*. OECD Social, Employment and Migration Working Papers. P.24.

¹⁶⁶ Desiere, S., Langenbucher, K., & Struyven, L. (2019). *Statistical profiling in Public Employment Services: an international comparison*. OECD Social, Employment and Migration Working Papers. P.24.

¹⁶⁷ Eubanks, V. (2018). *Automating inequality: How high-tech tools profile, police, and punish the poor*. St. Martin's Press. P.192. See also Henman, P. (2019). Of algorithms, Apps and advice: digital social policy and service delivery. *Journal of Asian Public Policy*, 12(1), 71-89.

their probability of returning to employment. Research by Desiere and colleagues (2019)¹⁶⁸ commissioned by the OECD on Statistical Profiling in PES suggests that even the best profiling systems are only 70 to 85 per cent accurate. This may seem a reasonable level of accuracy but it still means that 1 to 2 out of every 10 jobseekers is being wrongly classified with major implications for the level and quality of services they subsequently receive. Medical treatments prescribed on the basis of diagnostic tests with such levels of inaccuracy could have catastrophic consequences.

Digitalising the delivery of employment services raises the stakes of misclassification and inaccurate profiling of clients because there is no face-to-face interaction with clients to correct initial 'gate-keeping' errors. People with challenging employment barriers who require therapeutic, face-to-face support risk being screened out of personalised support if the assumptions underpinning the algorithms are inaccurate, out-of-date, or if the informational bases upon which the algorithms are being run are incomplete (as in the case of non-disclosure of barriers). One approach to mitigate this risk is to apply profiling systems in ways that support rather than replace the professional judgement of frontline PES workers in determining which clients should be assigned to which programmes. An example of this approach is the use of an AI-based profiling system, 'Next Steps', in the Flemish PES in Belgium to prioritise 'high-risk' clients for intervention. 'Next Steps' draws on detailed socio-economic, labour market history, as well as previous case history data to estimate the probability of clients becoming long-term unemployed. The statistical model and data underpinning the profiling system is also updated regularly. However, the outputs of the profiling system can be overridden by individual case managers as it 'is meant to assist caseworkers in decision-making, not to impose it.'¹⁶⁹

A further issue is the risk that digitalisation may give rise to unintended consequences and new patterns of prioritisation and exclusion arising from the 'digital divide' among potential service-users. Multiple studies have identified the risk that digitalisation may intensify the social exclusion of disadvantaged groups that lack the collective digital infrastructure necessary to avail of online public services or vulnerable welfare recipients with low digital literacy.¹⁷⁰

In short, digital and online service delivery platforms do provide possibilities for increasing capacity within the system. People who can be expected to return to employment without significant intervention, and who are digitally literate, may be able to self-manage their activation online. This would, in turn, free-up capacity within internal and contracted services to work more intensively with those who require more tailored and concentrated support on a longer basis. In this way, digitalisation can be harnessed to enhance rather than narrow possibilities for personalized support and a careful model of activation. But this depends on several conditions: first and foremost on the accuracy of the profiling and assessment process and, secondly, that digitalizing is deployed to enhance the enabling components of activation rather than to streamline more regulatory functions through automation.

¹⁶⁸ Desiere, S., Langenbucher, K., & Struyven, L. (2019). Statistical profiling in public employment services: An international comparison.

¹⁶⁹ *ibid.* P.18.

¹⁷⁰ For example: Schou, Jannick, and Anja Svejgaard Pors. "Digital by default? A qualitative study of exclusion in digitalised welfare." *Social Policy & Administration* 53.3 (2019): 464-477; O'Sullivan, S., & Walker, C. (2018). From the interpersonal to the internet: social service digitisation and the implications for vulnerable individuals and communities. *Australian Journal of Political Science*, 53(4), 490-507.

3.4 Participation income: rethinking conditionality, avoiding stigma, maximising agency

Activation usually requires a mixture of enabling, compensatory and regulatory strategies.¹⁷¹ A post Covid-19 recovery plan requires rebalancing towards more enabling services. While debate is to some degree only beginning in relation to the Post Covid-19 political economy it is possible to identify a spectrum of responses. Suggestions of further waves of welfare austerity (Pianta and Lucchese, 2020), coexist with proposals to restore pay-related-benefit (Varadkar 2020), and to introduce universal basic income. There are clear challenges for income support including engineering transition from Covid PUP to Non-Covid Welfare payments.

Over 1.8 million people were receiving some sort of state income support on 12 May 2020¹⁷², including:

- 589,600 people receiving the Pandemic Unemployment Payment;
- 456,200 people receiving the Temporary Covid-19 Wage Subsidy Scheme; and
- 214,700 people on the Live Register.
- 564,659 people on other working aged payments (including lone parents, people with disabilities and carers)¹⁷³

Unemployment previously peaked at just below 360,000 people in February 2012, or 16%, and the effective unemployment rate is now over 28 per cent.¹⁷⁴

Recognizing the maturity of Irish citizens in supporting the national Covid effort, a new social contract requires less stress on compliance and more on facilitating user's agency in co-production, while a number lobby for a Universal Basic Income we propose a Participation Income¹⁷⁵ as a compromise or middle ground between the unconditional UBI and present conditional job seekers - work first model. There are clear challenges for transitioning income support from Covid PUP to Non-Covid Welfare payments and as Roantree (2020) observes avoiding cliffs and enabling tapered transitions is necessary. This is not simple; use might be made of the analysis in various reports of the Expert Group on Tax and Social Welfare (2011-2014) which examined such options. Realignment will also raise the issue of income adequacy in the context of levelling down to less generous established welfare payments, particularly for young people for whom issues of employment incentives have been identified¹⁷⁶. The level of the PUP, up more than almost 75 per cent from the regular Jobseekers payment of €203 reflects the underlying inadequacy of the normal social welfare payment. 'Normalisation' meant significantly more than 13% of the population below the 2018 at-risk-of-poverty threshold of €293pw, significantly above the established weekly

¹⁷¹ Brodtkin, E. Z., & Larsen, F. (2013). The policies of workfare: At the boundaries between work and the welfare state. In *Work and the Welfare State*. Georgetown University Press.

¹⁷² DEASP administrative data, based on payments issued on 11 May 2020. See: <https://www.gov.ie/en/news/a49552-update-on-payments-awarded-for-covid-19-pandemic-unemployment-paymen/>.

¹⁷³ DEASP (2019) Annual Statistical Report, 2018 data

¹⁷⁴ Central Statistics Office (2020) Monthly Unemployment Data: April 2020. See: <https://www.cso.ie/en/csolatestnews/pressreleases/2020pressreleases/pressstatementmonthlyunemploymentapril20/>.

¹⁷⁵ Goodin, R. (2001). Work and Welfare: Towards a Post-Productivist Welfare Regime. *British Journal of Political Science*, 31(1), 13-39. Retrieved May 13, 2020, from www.jstor.org/stable/3593274

¹⁷⁶ Beirne et al. (2020) *The potential costs and distributional effect of Covid-19 related unemployment in Ireland*. Economic and Social Research Institute. Available at: <https://www.esri.ie/system/files/publications/BP202101.pdf>.

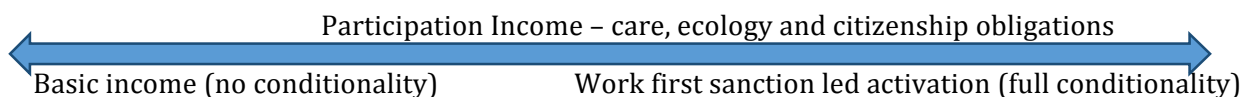
payment. The acknowledgment of gendered unpaid care work points to the need to use the income support system to support socially useful but unpaid work.

There are significant issues of income adequacy in the context of the move to less generous payments, with reasonable arguments that the Covid-19 PUP demonstrates the need for higher payments, while issues of employment incentives particularly for young people on PUP have been raised by ESRI (2020) and others who suggest a trade-off between incentives and income adequacy. There are also significant questions concerning the application of conditionality and a possibility that a surge in unemployment may be met with an intensification of conditionality. This is potentially part of the political need to be seen as in control and in the context that the present common sense and work-first approach will be seen as most logical, when considered in the context of its apparent success to date.

3.4.1 Conditionality and reciprocity

An important question arises as to whether the societal reflection that has occurred through the process of social distancing has led to a new valuation of and appreciation for unpaid care work and reciprocal forms of community support and voluntary work, and whether these need to be accommodated through less conditional income supports. This is reflected in renewed calls and petitions for alternatives to conditional income support including proposals for an unconditional Basic Income, or a quasi-conditional variant such as Participation Income (SJI 2000, Murphy 2020).^{177 178} From a gender equality perspective we might ask a) whether this might be reflected in new forms of income support which support a broader spectrum of participation and contribution to society, and b) whether the full time work requirement explicit in activation requirements might be relaxed to accommodate parental and other forms of unpaid family and community based care and wider supports.

Figure 16: Alternatives to work-conditionality in income support: basic vs. participation income



3.4.2 Addressing Stigma

'Stigmcraft' invokes the multi-dimensional historical, political and economic deployments of stigma, and the 'practices through which individuals and groups resist, reconfigure and revolt against their abject subjectification.'¹⁷⁹ Stigma and shame has been weaponized or targeted at marginalized groups.¹⁸⁰ Social stigma marks unemployment as a 'spoiled identity' which 'others' its bearer; a process which is arguably even more acute in a governmental rationality which individualizes and moralizes the issue of unemployment.¹⁸¹ UK, USA and Australian research

¹⁷⁷ Social Justice Ireland (2020) Post-COVID-19: Basic Income, How it's Paid for and How to Get There. 27 April 2020. <https://www.socialjustice.ie/content/taxonomy/tags/basic-income>.

¹⁷⁸ Murphy MP (2020) Arguments for Universal Basic Services and a Participation Income Uplift, April 29th 2020

¹⁷⁹ See: Tyler, I. (2013). The riots of the underclass?: Stigmatisation, mediation and the government of poverty and disadvantage in neoliberal Britain. *Sociological Research Online*, 18(4), 1-10. P.4

¹⁸⁰ Tyler, I. E., & Slater, T. (2018). Rethinking the sociology of stigma. *The Sociological Review*, 66(4), 721-743.

¹⁸¹ Goffman, E. (1990). 1963. *Stigma: Notes on the management of spoiled identity*, 3-4.

illustrates how encounters with work-related conditionality shapes experiences of stigma as individuals accept it as personal failure; deflect it through the process 'othering'; or at times reject the dominant framing of unemployment.¹⁸² Baumberg (2016; 2012) suggests that individuals can experience three categories of welfare benefit-related stigma: personal stigma, claims stigma and stigmatisation.¹⁸³ Personal stigma points to the internalisation of stigma since it refers to an individual's own personal feelings that there is something shameful about claiming welfare benefits. Claims stigma refers to the shame and stigma attached to the process of claiming welfare benefits and related interactions with staff, while stigmatisation incorporates wider social relations through the recognition that others see claiming benefits as shameful. This approach is useful in highlighting distinct categories which might apply in different ways to participants, but which can also be understood as interrelated dimensions of an overarching experience of stigma.¹⁸⁴ The desire to 'get out' of welfare is routinely tied to the struggles of 'getting by'.¹⁸⁵ Patrick (2016) highlights the importance of participation in formal employment based on responsibility and citizenship as well as hopes of better living standards while research in the US articulates similar motivations underpinned by a rhetoric of self-sufficiency (Monroe *et.al* 2007).¹⁸⁶

A focus on stigma is key to understanding the relationship between power and social policy. Stigma and shame is experienced largely internally, promoting 'feelings of personal insufficiency' (p. 65), and attributing the source of their stigma and shame to supposed failings in themselves rather than to broader institutions and macro forces.¹⁸⁷ Hence, the production of stigma through social policy is a key mechanism of social control. However, there is also a process of societal framing of stigmatization with a reinforcement of deserving versus undeserving dimension in public discourse, as stigma is reinforced for the pre-Covid 19 cohort of welfare claimants.¹⁸⁸ There is also evidence of xenophobia and racism, with an othering of Chinese and other ethnic minorities.

Poorly designed and delivered PES can reproduce or reinforce stigma, for example by overzealous application of sanctions retraumatizing people who have already been stigmatized. In Ireland a conditional approach is firmly embedded in labour activation policy and we also see increasing aspects of conditionality in other services including homeless services. Conditions and related sanctions are part of the process of stigmatization implying the people's behaviour is at least part of the reason for their joblessness or homelessness. Such conditionality is a long-term historical feature of welfare states and, unless an unconditional basic income is instituted, different types of conditions (entitlement, eligibility and conduct, (Clasen and Clegg 2013) are likely to persist as part

¹⁸² Patrick, R. (2016). Living with and responding to the 'scrounger' narrative in the UK: exploring everyday strategies of acceptance, resistance and deflection. *Journal of Poverty and Social Justice*, 24(3), 245-259; Wright, S. (2016). Conceptualising the active welfare subject: welfare reform in discourse, policy and lived experience. *Policy & Politics*, 44(2), 235-252; Murphy, J., Murray, S., Chalmers, J., Martin, S., & Marston, G. (2011). *Half a citizen: Life on welfare in Australia*. Allen & Unwin.

¹⁸³ Baumberg, B. (2016). The stigma of claiming benefits: a quantitative study. *Journal of Social Policy*, 45(2), 181-199; Baumberg, B. (2012). Three ways to defend social security in Britain. *Journal of Poverty and Social Justice*, 20(2), 149-161.

¹⁸⁴ Patrick, R. (2016). Living with and responding to the 'scrounger' narrative in the UK: exploring everyday strategies of acceptance, resistance and deflection. *Journal of Poverty and Social Justice*, 24(3), 245-259.

¹⁸⁵ Wright, S. (2016). Conceptualising the active welfare subject: welfare reform in discourse, policy and lived experience. *Policy & Politics*, 44(2), 235-252.

¹⁸⁶ Patrick, R. (2016). Living with and responding to the 'scrounger' narrative in the UK: exploring everyday strategies of acceptance, resistance and deflection. *Journal of Poverty and Social Justice*, 24(3), 245-259.

¹⁸⁷ Giddens, A. (1991). *Modernity and self-identity: Self and society in the late modern age*. Stanford university press. P.65.

¹⁸⁸ Finn P (2019) *Playing with the Absurdity of Welfare: Experiences of Irish Welfare Conditionality PhD Thesis*, Maynooth University

of the social contract. There remains in Ireland a strong legal, moral and political demand to legitimize welfare provision/generosity.

Well-designed PES will enable front line workers practice in a manner that empowers users and reduces stigma; this can be done by embedding agency into service delivery in an empowering or enabling activation model (making the state's obligations to claimants clear, and as proportionate as are the claimants' obligations to the state); by rebalancing welfare conditionality with co-production and co-creation processes; by legislating users rights to data and to produce their own activation plans. While we may expect a conditional approach to remain embedded in labour activation policy, it is possible to partially reconcile some level of compulsion with more positive models of labour activation that rebalance rights, empowers, and enables users to maximize their agency to affect their own progression in life. This can be done for example by making the state's obligations to claimants clear, and as proportionate as are the claimants' obligations to the state; by rebalancing welfare conditionality with co-production and co-creation processes that make the citizen part of the design and deliverance of social and employment services; by legislating users rights to data and to produce their own activation plans. This requires enabling agency and participation of both users and frontline workers and interrelated changes of political management and organisational strategies, services and cooperation with surrounding society, including employers. A human rights and capability informed approach is used to unpack what models of empowerment and emancipation might maximize users' participation, voice and input into welfare policy and practices so that they might be as efficacious as possible in maximizing options and broad outcomes.

3.5 Universal Basic Services

Any renewal or reform of income support must be contextualised in the relationship between income support and public services. To date, the Irish welfare model has successfully compensated for high levels of market income inequality through taxes and transfers leaving less to invest in public services and well known deficits in care, housing, health and public transport. TASC's (2018) analysis, *Living with Uncertainty*, argues persuasively that the Irish welfare regime with underdeveloped public services leads to particular issues for precarious workers, for transition in and out of low paid employment and for coping with sudden loss of employment income.¹⁸⁹ The concept of Universal Basic Services (UBS)¹⁹⁰ refers to:

- **Services:** collectively generated activities that serve the public interest.
- **Basic:** services that are essential and sufficient (rather than minimal) to enable people to meet their needs.
- **Universal:** everyone is entitled to services that are sufficient to meet their needs, regardless of ability to pay.

Covid 19 illustrates the relevance of UBS in enabling society cope with sudden shock, but UBS is also relevant in the context of widening inequalities, deepening poverty, and not least acceleration towards ecological catastrophe, AI and robotics related insecurity in the labour market. UBS offers

¹⁸⁹ TASC (2018) *Living with Uncertainty: the Social Implications of Precarious Work*. Available at: <https://www.tasc.ie/publications/list/living-with-uncertainty-the-social-implications-of/>.

¹⁹⁰ See Coote, A., & Percy, A. (2020). *The Case for Universal Basic Services*. John Wiley & Sons.

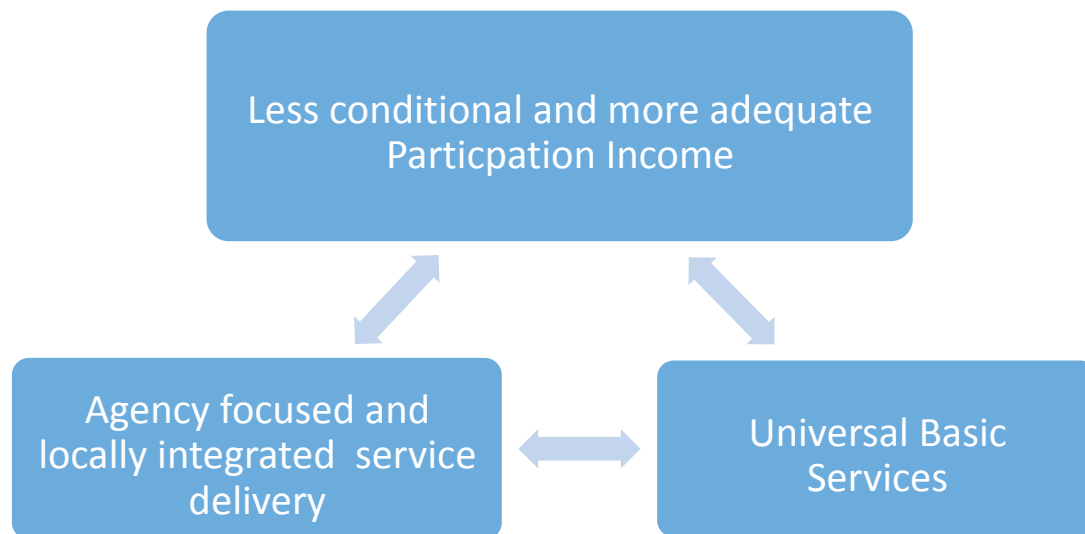
a way of recreating collective values of solidarity which were part of the post war settlement but which have been pushed out by market values including - individualism, choice, competition and consumerism.

UBS guiding principles¹⁹¹ include meeting shared needs such as life's essentials that enable us to survive and flourish, common to all and allow for sufficiency – this is different from consumption driven and more artificial wants and preferences. A second principle of meeting *collective responsibilities* refers to the practice of pooling resources and sharing risks so that we can all meet all our needs. UBS is also based on the principle of *Sustainable development*, or meeting the needs of the present without compromising the ability of future generation to meet their own needs.

3.5.1 A New Social Contract

Calls for a social contract refer to a 'social wage' which provides both collective services for life's essentials that people cannot afford to pay for themselves: a 'virtual income' as well as income support so that everyone has enough money to pay for affordable essentials. UBS must be combined with a reformed social security system that is sufficient and non-stigmatising for all, so that no-one's income falls below an agreed level. A participation income avoids this likelihood and also offers a mechanism to keep people, particularly women, attached to the labour market and mitigates the probability of economic activity, thus meeting an important policy objective of increasing labour market participation over the medium to long term.

Figure 17: A new social contract underpinned by universal basic services and a social wage



¹⁹¹ *ibid*

Appendix A: Profiling Tools and Approaches

1. Ballymun Youth Guarantee/ Emerge project (MST) (BJC/DEASP)

- Assessment of individual with regard to: Childcare / transport / education level / IT skills / Literacy / previous employment duration / Disability / substance misuse / Criminal history / engagement with other services
- Perceived Competencies (self-awareness / self-belief / resilience / recognition of employer's needs / employment motivation / hope / adaptability)
- Future work - appealing factors (work-life balance / location / work environment / salary / career choice)
- Work ethic (attendance / punctuality / following instructions / presentation / attitude)
- Barriers (care, eligibility, education, work experience, Family issues, finance, Health (physical / mental), language, literacy, personal disposition)

The profile outcome directed individuals into three categories:

Group 1: clients with Junior Certificate/equivalent or less and little or no work experience (35%). Some of these clients would also face additional barriers such as literacy/numeracy, substance misuse and/or criminal records.

Group 2: clients with Leaving Certificate/equivalent or some work experience (47%)

Group 3: clients with above Leaving Certificate/equivalent or good work experience (18%)

Ref: Devlin, M (2015). Key Learning From The Ballymun Youth Guarantee Project

2. PEX

“The following controls are included in our profiling model to predict those at risk of staying on the Live Register for twelve months or more: age; marital status; educational attainment (Primary or less, Lower secondary, Upper Secondary, Third-level); prior apprenticeship training; literacy / numeracy problems; English proficiency, health; size of local labour market (city, town, village, rural location); geographic location (county of residence); own transport; access to public transport; employment history; casual employment status; previous job duration; willingness to move for a job; previous unemployment claim history; participation in the CE scheme (public-sector job scheme); benefit type (Jobseeker's Allowance or Jobseeker's Benefit); number of claims and spousal earnings.”

Ref: O'Connell, McGuinness and Kelly (2012). The Transition from Short- to Long-Term Unemployment: A Statistical Profiling Model for Ireland

3. Prime (Canada) – developed to track incremental and meaningful change (rather than a one off profile). Client and practitioner judgement (based on 5 point scale from *not at all* through to *a lot*, and includes a *not assessed* option)

Pre-employment Job Readiness: transport/housing/relationships/physical health/mental health/addiction//responsibility for own behaviour//motivation

Career decision making: interests/values/strengths/skills/employment options/entry requirements/availability of work/knowledge of recruitment and selection practices/set goals

Skills enhancement

Work search / entrepreneurship

Employment maintenance: keeping the job – know what’s required/skills and attitudes/able to take feedback/ask for help

Employability influencers: self-esteem/Hope/Adaptability/Resilience/Perseverance

Ref: Canadian Career Development Foundation

4. My Journey – Distance Travelled Tool (SICAP)

It comprises 27 items grouped into four validated components (and an additional measure of general work readiness), each item is rated by the service user using a seven point Likert scale (strongly agree to strongly disagree). It measures five soft skill areas:

1. Literacy and numeracy confidence
2. Confidence, goal setting and self-efficacy
3. Connection with others
4. Communication skills (including self-advocacy)
5. General work readiness

Similar to Prime, the DTT is developed to track incremental and meaningful change.

5. Job Seeker Classification Instrument (JSCI) (Australia)

- measure a job seeker’s relative difficulty in gaining and maintaining employment
- help identify what level of support the job seeker will need to help them find work
- Identify those job seekers who have complex or multiple barriers to employment that need further assessment.

Completed when first register for employment assistance and any time they experience a change in circumstances. Responses determine the appropriate employment service for the job seeker.

JSCI questionnaire includes a minimum of 18 questions and a maximum of 49 questions. The number of questions a job seeker answers depends on their individual circumstances. A job seeker who has a high level of disadvantage will generally be asked more questions.

Questions are designed to collect information about work experience, Education Qualifications, Language, Descent-Origin, work capacity, living circumstances, transport and personal circumstances. Other information sourced from the job seeker's records: including any Employment Services Assessments or Job Capacity Assessments.

The JSCI also identifies job seekers who might be referred due to multiple and/or complex barriers to employment, need literacy/language skills, need social work intervention (domestic violence, trauma etc.)

A number of JSCI questions are voluntary and the job seeker can choose that they 'do not wish to answer'. These questions cover the following areas:

- Indigenous status / refugee status /disability and medical conditions /criminal convictions /personal factors (or characteristics) which may affect a job seeker's ability to work, obtain work or look for work.

<https://www.employment.gov.au/components-and-results-job-seeker-classification-instrument>

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