



Now It's Personal:

Learning from welfare-to-work approaches around the world

Edited by Dalia Ben-Galim and Alice Sachrajda

August 2010

© ippr 2010

Institute for Public Policy Research

Challenging ideas – Changing policy

Contents

About ippr	3
The project	3
Acknowledgements	3
Introduction	4
Section 1. Personalisation	
1.1. The Australian experience of employment services: what have we learnt? <i>Dina Bowman and Michael Horn</i>	8
1.2. Personalisation at the front line: looking within the work-focused interview <i>Roy Sainsbury</i>	11
1.3. Active inclusion: a comprehensive strategy for poverty reduction? <i>Katherine Duffy</i>	13
1.4. After labour market reform: welfare-to-work and personalisation in Germany <i>Georg Worthmann</i>	16
Section 2. Citizens: meeting different needs	
2.1. Project match: welfare-to-work from a human development perspective <i>Suzanne L. Wagner and Toby Herr</i>	21
2.2. Supporting 'generation zapper' into lasting employment <i>William Smith and Jenny Ross</i>	25
2.3. Adjusting the system: supporting people with disabilities into work <i>Carole J. Barron</i>	29
Section 3. Job creation and sustainability: the local labour market	
3.1. Re-thinking re-entry: green jobs at STRIVE <i>Stephanie Haas</i>	33
3.2. Forgotten demand? Welfare-to-work and the UK's missing jobs <i>Tess Lanning</i>	35

About ippr

The Institute for Public Policy Research (ippr) is the UK's leading progressive think tank, producing cutting-edge research and innovative policy ideas for a just, democratic and sustainable world.

Since 1988, we have been at the forefront of progressive debate and policymaking in the UK. Through our independent research and analysis we define new agendas for change and provide practical solutions to challenges across the full range of public policy issues.

With offices in both London and Newcastle, we ensure our outlook is as broad-based as possible, while our Global Change programme extends our partnerships and influence beyond the UK, giving us a truly world-class reputation for high quality research.

ippr, 30-32 Southampton Street, London WC2E 7RA. Tel: +44 (0)20 7470 6100 E: info@ippr.org
www.ippr.org. Registered Charity No. 800065

© ippr 2010

The project

'Now It's Personal' is an innovative project in which ippr is exploring the role of personal advisers in the welfare-to-work sector. We are examining how welfare can reach its goal of providing personalised support and considering what steps need to be taken to achieve sustainable jobs and integrated skills and training. Solutions are being explored through a programme of action research with eight delivery partners in the public, private and voluntary sectors.

Acknowledgements

ippr would like to thank our partners – Brent in2work, Islington Council, Peabody, Pinnacle, Skills Development Scotland, Stockwell Community Resource Centre (with Hyde Housing), the UK Commission for Employment and Skills and Working Links – for their generous financial support of the 'Now It's Personal' project.

ippr would also like to thank all the authors who have contributed to this collection.

Introduction

Dalia Ben-Galim

The global economy is slowly emerging from a financial crisis. We do not yet know the full implications of this crisis and what lessons may be learnt for the future. But we do know that employment is lagging behind a somewhat sluggish rate of output growth. Across the countries of the Organisation for Economic Cooperation and Development (OECD) there are currently 17 million unemployed people, and there are concerns that this might be an underestimation of the number looking for work (OECD 2010).

Personalisation – tailored support offered to help people (back) into work – has become a dominant feature of many welfare regimes around the world. The role of the personal adviser is an important aspect of offering more flexible, tailored support into work. While the language may differ from country to country, the challenges that many governments face, such as reducing their welfare bills and improving cost effectiveness, are similar, as is the move towards a focus on getting people into decent jobs that they then retain.

In the UK, in one of his first speeches as Secretary of State for Work and Pensions, Iain Duncan Smith outlined the coalition government's commitment to create a single Work Programme that aims to offer 'targeted, personalised help for those who need it most, sooner rather than later' (Duncan Smith 2010). This personalised support is seen as critical to the coalition's programme for government, 'to encourage responsibility and fairness in the welfare system' (HM Government 2010).

Personalised support is essential to improving the chances of people finding work (McNeil 2009). The most effective support establishes trust between the personal adviser and the customer, followed by tailored support that focuses on confidence building, navigating the system and improving the 'job readiness' of a customer. But this support is not necessarily working for everyone. ippr's research shows that current approaches tend to better support those who are closer to the labour market and more 'job ready', but are still not effective in helping those with more complex support needs. In addition, provision of in-work support to help people remain in work is often weak. This is partly due to work sustainability targets only recently gaining more prominence. And with the number of temporary jobs expected to increase further, the job vacancies are often not there in the first place.

This collection of short essays draws on international experiences and approaches of personalisation. It focuses on the role of the personal adviser as a way to explore how policy can reach its goal of providing personalised employment support and advice. The essays strengthen the case for citizen-centred welfare (Bennett and Cooke 2007). They provide both advice and warnings to the UK's coalition government and welfare-to-work providers across different sectors as to how to make the single Work Programme cost-effective and responsive to citizens' needs. The contributors also raise important questions over how a diverse customer base will be supported, how to ensure that innovative approaches will not be squeezed out, and where jobs might come from in the future.

Personalisation

The first section of the collection focuses on personalisation: what we have learnt about it and how it might continue to evolve. Dina Bowman and Michael Horn reflect on the Australian experience and argue that changes to employment policy that are compliance-centred, rather than customer-centred, risk undermining a personalised approach. They highlight complications that have arisen as a result of the new government re-tendering

contracts which is pertinent to the current UK context. The next contribution, from Roy Sainsbury, analyses the work-focused interview to explore the relationship between the adviser and customer. The analysis from the frontline highlights similar themes to Bowman and Horn: that advisers who were focused on process were less able to facilitate a personalised customer journey. Together these contributions present challenges for Job Centre Plus and those who are delivering the new work programme in the UK to provide a personalised customer journey. They highlight the risks of a framework that is narrowly focused on monitoring outcomes and how this may lead to practice that is biased towards process rather than on clients and sustained outcomes. They also suggest that innovation is being squeezed out of formal programmes. The other contributions in this section, from Katherine Duffy and Georg Worthmann, provide lessons from two European examples, one from the Norwegian context and one from Germany. They focus on different models of engaging the customer.

Service users: meeting different needs

The Work Programme aims to unify welfare-to-work provision, placing the responsibility on providers to ensure that a range of needs are supported. The Minister for Work, Lord Freud, suggests that the planned changes will allow for greater individualisation (Freud 2010). But the coalition government's critique of the system – 'lumping people into a series of almost arbitrary categories' – is at times in tension with encouraging providers to specialise for particular groups. Having a personal adviser does not automatically mean that the service caters to a diverse range of needs. The contributions in this section provide useful examples of the personalised support that individuals and particular groups often require.

Suzanne Wagner and Toby Herr describe the 'incremental ladder to economic independence', the approach taken by Chicago-based Project Match. They argue that this gradual and alternative community-based approach to employment support is essential for developing the potential and experience for adults who have been categorised as 'workforce failures'. In the following essay, William Smith and Jenny Ross of welfare-to-work providers Ingeus turn the attention to young people to demonstrate that specialist support is particularly needed for groups who experience additional barriers to labour market participation. Smith and Ross argue that Ingeus's one-to-one approach to engaging and working with young people in France is working to support this group in their transition into sustainable work and preventing a 'scarred' generation from forming. And Carole Barron, who leads the Canadian Council on Rehabilitation and Work, examines a comprehensive model that works to support adults with disabilities across Canada to adjust and change the system rather than trying to force individuals to all follow the same approach.

These contributions suggest that the design and delivery of the UK's Work Programme need to account for a diverse range of needs. Research demonstrates that there are specific concerns for certain groups, whether that be an emphasis on childcare for lone parents; initiatives to promote work experience and prevent scarring for young people; or programmes that work with employers to support people with disabilities. It is not yet clear where these targeted initiatives will sit in the next stage of welfare reform.

Job creation and sustainability: the local labour market

To date, welfare-to-work policy has almost exclusively focused on supply-side interventions. With the prospect of a 'jobless' recovery in the UK and an increased focus on job sustainability, this emphasis is exposed as insufficient. In the UK, job sustainability targets are in tension with current labour market trends, which have seen a significant increase in part-time and temporary jobs.

Sluggish economic growth and impending public sector cuts in the UK mean that an emphasis on job creation and sustainability is required if the coalition government is to achieve its aim of responsibility and fairness in the welfare system. The contributions in this section look at examples that respond to the specific dynamics of a local labour market. They emphasise the necessity for better collaboration between welfare-to-work providers and employers. They also identify different adviser roles – not only for identifying local needs and job creation, but also for in-work support, for customers and employers.

In the United States, New York-based STRIVE's approach combines a focus on attitudes and job readiness programmes with specific training for 'green' jobs for women; Stephanie Haas illustrates the complex nature of the partnerships that are required to generate success. ippr's Tess Lanning then looks to examples of skills utilisation strategies and job rotation schemes in Wales and Scotland to highlight the range of approaches that will be required to respond to local labour market conditions. Together these examples illustrate the importance of welfare-to-work and training providers to develop better relationships with employers. Even the most personalised employment support will be limited if there is not a focus on job creation and sustainability.

The essays presented here are a useful resource for considering the next stage of welfare reform in the UK. They present warnings for the coalition government and its partners on how to ensure that the Work Programme establishes a decent standard of provision for all, as well as enabling citizens to participate and contribute to a fair society. It remains to be seen whether the implementation of the Work Programme alongside benefit reform will be able to achieve these progressive goals.

References

- Bennett J and Cooke G (2007) *It's All About You: Citizen-centred welfare*, London: ippr, www.ippr.org/publicationsandreports/publication.asp?id=559
- Duncan Smith I (2010) 'Welfare for the 21st Century', speech, 27 May, www.dwp.gov.uk/newsroom/ministers-speeches/2010/27-05-10.shtml
- Freud D (2010) Address to welfare providers, 2 June, www.dwp.gov.uk/newsroom/ministers-speeches/2010/02-06-10.shtml
- HM Government (2010) *The Coalition: our programme for Government*, London: Cabinet Office, www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf
- McNeil C (2009) *Now it's Personal: Personal advisers and the new public service workforce*, London: ippr, www.ippr.org/publicationsandreports/publication.asp?id=672
- OECD (2010) *Employment outlook: Moving beyond the jobs crisis*, Paris: OECD, www.oecd.org/dataoecd/27/40/45591607.pdf

Section 1. Personalisation

Summary of contents

1.1. The Australian experience of employment services: what have we learnt?, by Dina Bowman and Michael Horn

Bowman and Horn focus on the Australian experience of employment services and argues that changes to employment policy that are compliance-centred rather than client-centred risk undermining a personalised approach.

1.2. Personalisation at the front line: looking within the work-focused interview, by Roy Sainsbury

In this essay Sainsbury analyses the work-focused interview. He argues that the success of the personalisation agenda rests not only on skills and attitudes of the personal adviser, but also on the organisational structures and processes in which they work.

1.3. Active inclusion: a comprehensive strategy for poverty reduction?, by Katherine Duffy

This essay evaluates the Norwegian Qualifications Programme as an example of active inclusion, which, Duffy argues, is not sufficient by itself to tackle poverty.

1.4. After labour market reform: welfare-to-work and personalisation in Germany, by Georg Worthmann

Worthmann analyses some of the major changes to welfare in Germany. He argues that in the context of greater conditionality in the welfare system, more innovative approaches are necessary to achieve sustainable work outcomes.

1. The Australian experience of employment services: what have we learnt?

Dina Bowman and Michael Horn

Over the past 15 years, employment services in Australia have become increasingly shaped by contractual obligations (Kerr *et al* 2002, Considine 2000). Mark Considine distinguishes between 'compliance-centred' and 'client-centred' forms of contracting and suggests that Australian employment services have increasingly been characterised by compliance-centred approaches.

Reform of the employment services system is a key plank of the Labor Government's policy agenda and after a process of review the new Job Services Australia (JSA) was introduced in July 2009. It aimed to address the weaknesses in the former system by making available a larger proportion of the resources to disadvantaged jobseekers, allowing greater flexibility in provision of assistance, and softening the jobseeker compliance framework. It also sought to consolidate some of the previous specialist programmes into a single service system.

In this essay, we argue that despite a change in the employment services system in Australia, the compliance-centred regime persists, and this works against the development of personalised approaches to assisting jobseekers.

Overview of Job Services Australia

The current Job Services Australia system is based on a process in which jobseekers are assessed and then allocated to one of four streams. Each stream provides access to different levels of support and funding. The most highly disadvantaged jobseekers in Stream 4 make up 15 per cent of new jobseekers, compared to the less disadvantaged in Stream 1 who comprise 53 per cent (DEEWR 2009). Stream 1 job placement fees range from A\$385–440¹, while placement and outcome fees for Stream 4 jobseekers can reach A\$6,600 (these fees apply to all agencies whether not-for-profit or private-for-profit). As the assessed level of disadvantage increases, service and outcome fees for the service provider also increase.

After 12 months, jobseekers undergo a review which may result in assignment to a higher stream or in the case of jobseekers already in Stream 4, additional services. After 18 months in Stream 4 jobseekers are moved to the 'work experience phase'. Work experience may include participation in programmes such as Work for the Dole, Green Corp², part-time study, paid employment or voluntary work. An 'employment pathways' fund³ is available for providers to assist jobseekers to gain employment; these funds can be used with some flexibility to address either vocational or non-vocational barriers.

In theory, this weighting towards the most disadvantaged should result in higher levels of support and more personalised service. However, anecdotal and research evidence suggests a number of factors prevent there being an individualised approach. These include inadequate funding levels and an entrenched culture that emphasises compliance rather than innovation

1. 1 Australian dollar = 0.9153 US dollars (5 August 2010)

2. More information about these programmes can be found at www.centrelink.gov.au/internet/internet.nsf/services/work_dole.htm and www.centrelink.gov.au/internet/internet.nsf/services/green_corps.htm

3. The employment pathways fund can be used for the costs of training, work-related clothing and safety equipment, short-term travel, relocation to commence in employment, and other personal support services. There is some flexibility in the use of EPF money as it is not restricted to any one jobseeker and can be used to assist groups or individuals. The amount available per job seeker varies from A\$11 in Stream 1 to a maximum of A\$6,600 for Stream 4; and the payments to job services providers increase with the level of disadvantage, from A\$385 for Stream 1 to A\$781 maximum for Stream 4 (DEEWR 2009).

(Bowman and Lawlor 2010). Contracts still require overly burdensome monitoring and reporting within a tightly controlled transactional model. There is also a stronger risk under such models of perverse outcomes, such as 'parking' of jobseekers with complex barriers to safeguard financial targets.

Job Network contracts came to an end in mid 2009. The Labor government implemented its new approach through retendering the contracts. Not-for-profit and for-profit agencies were invited to tender for the provision of services under the new Job Services Australia system which commenced in July 2009. The transition to the new system involved significant destabilisation both for jobseekers and providers. New contracts were awarded which meant that some providers lost their contracts, and others had to change their business model from specialist to generalist. This shift has caused some frustration for specialist provider staff who are not fully utilising their skills, while generalist service providers are adapting to assist special needs clients. For example, there is a lack of coverage of youth specialist providers across all regions with less than 8 per cent of provider sites offering youth specialist services.

Research suggests two trends that may also work against personalised service provision under the new system. The first is an increase in the standardisation of employment services (O'Sullivan 2010). On registration with Centrelink (the entry point for income support and employment assistance), a computer-based jobseeker classification instrument is used to stream all jobseekers according to their level of disadvantage. A job capacity assessment may also be carried out to determine if jobseekers should be referred to Disability Employment Services or if they have substantial barriers to job readiness. Jobseeker capacity assessments are mainly outsourced to private agencies.

Anecdotal evidence suggests that assessments often fail to identify the complexity of individual needs and barriers. In addition, there is a trend towards what O'Sullivan *et al* (2009) call 'routinisation'. By this they mean an administrative 'routinised' approach to processing jobseekers, with a focus on compliance and contractual obligations. Their research has also identified the deprofessionalisation of frontline workers, with an increase in the employment of young women who tend to stay in the employment services industry for a relatively short time. The high turnover of employment services staff, their deprofessionalisation and the standardisation of employment services all prevent a responsive personalised approach.

Innovation

A small Innovation Fund (A\$41m) was established to support the trial of new approaches to meet the needs of highly disadvantaged jobseekers. For example, the Brotherhood of St Laurence (BSL) has received three-year funding through this fund to develop a place-based Centre for Work and Learning (CWL) in inner Melbourne. The project aims to promote work and learning opportunities in public housing neighbourhoods that have high concentrations of unemployment. Its central aim is to integrate services, including those provided by Job Services Australia providers, local employers, enterprises and industry groups, training organisations, and community and government support services. In contrast to the JSA system, the CWL is based on voluntary participation and emphasises a personalised, flexible approach to supporting highly disadvantaged jobseekers. In part, this is enabled by the funding arrangements, which are not tied to 'outcomes'⁴.

4. The Centre for Work and Learning was established early in 2010 and it is therefore too early to report on its achievements. Here we distinguish between the more general term 'outcomes', and the more specific meaning that defines a particular outcome in terms of a payment to the provider. The funding for CWL has been provided on a grant basis with few of the compliance mechanisms that characterise Job Services Australia.

Conclusion

Australia enthusiastically adopted an employment services policy based on the idea of market competition and a behavioural understanding of poverty and unemployment. A commitment to a privatised transactional contract model for delivery has reduced capacity for collaboration between providers, limited sharing of best practice and constrained innovation. Management in this system is focused on meeting contractual accountability requirements such as star ratings and outcome payments to ensure business viability. Key drivers for government have been to reduce unit costs and improve aggregate outcomes. While making some significant changes from the earlier Job Network, the Labor government has largely retained the fundamental elements of the original compliance-centred approach.

It remains to be seen whether the Australian system and current funding levels enable a personalised approach to be implemented. Early indications are that a tightly controlled contractual regime persists, which affects the degree to which services can be individualised to meet the needs of all jobseekers. Indeed, anecdotal evidence suggests that the provider compliance requirements have increased and continue to work against an individualised approach.

Dina Bowman is Research & Policy Manager for the In and Out of Work transition. Michael Horn is a Senior Manager, Research & Policy in the Through School to Work and the In and Out of Work transitions. Both are based at the Research & Policy Centre, Brotherhood of St Laurence, Melbourne, Australia. More information about their work is available at www.bsl.org.au/Research-and-Publications/Research-and-Policy-Centre/The-working-years.aspx

References

- Bowman D and Lawlor J (2010) Evidence and experience: Report on the Individual Placement and Support (IPS) project for disadvantaged jobseekers with mental health issues, Fitzroy: Brotherhood of St Laurence
- Considine M (2000) 'Regimes and reflexive governance: comparing employment service reforms in the United Kingdom, the Netherlands, New Zealand and Australia', *Public Administration*, vol.78, no.3, pp.613–38
- Department of Education, Employment and Workplace relations, Evaluation and Performance Branch, Research, Analysis and Evaluation Group (2009) *Evaluation Strategy for Job Services Australia 2009 to 2012*, Canberra
- Kerr L, Carson E and Goddard J (2002) 'Contractualism, employment services and mature-age job seekers: the tyranny of tangible outcomes', *The Drawing Board: an Australian Review of Public Affairs*, vol.3, no.2, pp.83–104
- O'Sullivan S, Considine M and Lewis J (2009) 'John Howard and the Neo-liberal Agenda: regulation and reform of Australia's privatised employment services sector between 1996 and 2008', presented at the Australian Political Studies Association (APSA) Conference, September 2009, Macquarie University. www.ssps.unimelb.edu.au/__data/assets/pdf_file/0020/166115/John_Howard_and_the_Neo-liberal_Agenda_Sept_2009.pdf
- O'Sullivan S (2010) 'Flexibility, Routinisation and a Decade of Private Employment Services in Australia', presentation to Brotherhood of St Laurence lunch time forum, 22 April

1.2. Personalisation at the front line: looking within the work-focused interview

Roy Sainsbury

Greater personalisation in the delivery of welfare-to-work services has been a familiar policy goal of the UK's Department for Work and Pensions (DWP) for a number of years and looks certain to continue under the new coalition government. The coalition's flagship welfare-to-work policy, the unified Work Programme, will replace the numerous welfare-to-work schemes introduced by Labour. In a pre-election policy paper the Conservative Party promised that, 'through the Work Programme, we will offer people targeted, personalised help...' (Conservative Party 2009). So, personalisation is here to stay as a high-level policy aim.

At ground level, though, the site in which personalisation is played out for most claimants and clients is the work-focused interview with a member of staff of Jobcentre Plus (JCP) or an external employment provider. A recent study carried out by the University of York has afforded a rare opportunity of exploring personalisation from a wholly new perspective, that is from *within* the interview itself (Drew *et al* 2010). In 2009 a research team was able to video-record over 180 work-focused interviews in JCP and Employment Zone offices¹ to produce a unique dataset for analysis. The study covered lone parents, claimants of Incapacity Benefit and claimants of Jobseeker's Allowance.

The overall aims of this study were to contribute to the evidence base on what actually takes place in work-focused interviews. By applying the analytic techniques of conversation analysis the research team sought to identify techniques and styles used by advisers during work-focused interviews that seemed to be most *effective* in moving people closer to work. Moving closer to work does not necessarily mean actually getting a job, but refers to any step that results, for example, in a more positive attitude towards work, or provides useful and relevant information to a claimant, or refers a claimant to an outside agency providing help such as training or work experience.

The focus of this short essay is on two findings that have a bearing on how the personalisation of adviser-client interactions might be enhanced in the UK.

Two interview approaches

First, from the analysis of the video recordings it was possible to identify two distinct ways in which advisers appeared to approach interviews, a *process-led* approach and a *claimant-focused* approach.

The process-led approach was characterised by a dominant concern to accomplish a number of tasks within the time allotted for an interview, whereas the claimant-focused approach invited greater involvement and participation from the claimant. For example, when advisers gathered information about a claimant or client using a checklist on a computer screen, and then entered that information in ways that excluded or were opaque to claimants, they were adopting a process-led approach. By contrast, when they asked more open questions, inviting people to tell their 'story', and involving them in playing an active role in recording this information, they were more claimant-focused.

The research did not conclude that one approach should be adopted as the only or best approach, but did suggest that a claimant focus offered a greater likelihood of engaging

1. Employment Zones (EZs) were introduced in April 2000 in areas of the United Kingdom with persistent long-term unemployment. In EZs organisations external to the Department for Work and Pensions use an outcome-related model of delivery that allows them greater freedom in designing what employment services they provide.

people and helping them take steps towards work. In contrast a process-led approach risked missing opportunities for supporting claimants, for example by giving out information about available programmes and schemes in a 'formulaic' manner rather than tailoring information to an individual's circumstances and aspirations and inviting or actively soliciting the claimant's participation in a programme.

Adviser style

A second finding of interest was that it was possible to discern a number of elements of *adviser style* that contributed to the conduct of a work-focused interview. Advisers were demonstrably more effective in helping people move towards work when they were more:

- **collaborative** in their approach to the interview, treating the relationship with the claimant as a partnership
- **directive**, guiding the interview, and providing explicit instruction to claimants on a range of practical matters, such as CV construction, what to wear to an interview, how to answer interview questions, and how to find suitable childcare
- **proactive**, pursuing employment and training opportunities there and then during the interview, and ensuring that they followed up with claimants (for example with a phone call later)
- **positive** about the claimant, for example highlighting marketable skills, rather than dwelling on employment barriers
- **challenging**, requiring claimants to engage actively in job seeking, and encouraging them to think differently about their situation.

We can see therefore that a personalised approach to work-focused interviews does not necessarily equate with being 'soft' in any way. The key is to focus on the individual and gather and give information that is tailored to their circumstances, aspirations and needs, and to perform any necessary administrative tasks in a way that manages to engage, rather than alienate people. Finding the right mix of collaborative, directive, proactive, positive and challenging is a challenge in itself for advisers. They need to have empathy with their client and the training and personal attributes to know how to adapt the way they conduct an interview to each client as an individual. This requires considerable flexibility and skill rather than necessarily talking to people in the same way for the sake of consistency (a feature of a process-led approach).

Achieving personalisation was not only a matter of individual attitude or skill on the part of personal advisers, however, but was affected by the organisational structures and processes that they worked with. Examples of effective interviews were apparent in all the fieldwork sites visited but a personalised approach appeared to be facilitated more in the less process-led and more outcome-focused Employment Zones compared with Jobcentre Plus offices.

The findings from this project (Drew *et al* 2010) should be essential reading not only for DWP policymakers and trainers but also for the many organisations in the private and third sectors that will be providing more and more employment services in the coming years.

Roy Sainsbury is Research Director in the Welfare and Employment Team, Social Policy Research Unit, University of York. For more information about his work see <http://php.york.ac.uk/inst/spru/profiles/rs.php>

References

Conservative Party (2009) *Get Britain Working*, London: Conservative Party

Drew P, Toerien M, Irvine A and Sainsbury R (2010) *A Study of Language and Communication Between Advisers and Claimants in Work-Focused Interviews*, DWP Research Report, Leeds: Corporate Document Services

1.3. Active inclusion: a comprehensive strategy for poverty reduction?

Katherine Duffy

'Active inclusion' (AI) is a strategy that aims to integrate policy and delivery of employment, income and services to ensure sustainable integration of socially and economically vulnerable groups of working age into the labour market. It rests on three key pillars: labour market integration, adequate income for a decent life, and access to quality services.¹ This short essay considers a Norwegian AI strategy, the Qualifications Programme (QP), exploring the success of this approach in tackling poverty by engaging people in the labour market. It draws on the evidence produced by an inter-governmental peer review (Prins 2009) performed by a cross-national panel of representatives of governments, civil society and independent experts working in the context of the Open Method of Coordination.² It concludes that while Norway's Qualifications Programme provides a positive strategy to build on, more is needed to tackle poverty across Europe.

The Norwegian example

In 2007, Norway launched the Qualifications Programme as a key initiative to combat working age poverty among people with some reduced capacity for work, but who are not eligible for programmes for people with a disability. Key objectives are increasing employment and improving wellbeing. While targets are set centrally, there is scope for local areas to design support for specific groups. Target groups have commonly consisted of the long-term unemployed, young people, migrant groups, single parents and those with substance dependency. The flexible nature of the programme has been positive in meeting local need, but like many other welfare-to-work programmes, it raises questions about 'creaming' and about principles of universality and fair access. A new recruitment strategy was adopted in 2008 to address some of these issues.

The relationship between the customer and the adviser is seen to be critical: the QP helps to overcome isolation and promote integration through stable customer–adviser relationships, relatively low case loads of approximately fifteen and opportunities for group activities. Programmes are intended to be full-time, individualised and flexible and may last from a few months to two years, with a standard length of one year.

This intensive customer–adviser relationship also provides the adviser with a significant amount of discretion to support the customer. However, adviser accountability is unclear and there do not appear to be common standards on the quality of the service. Norwegian government representatives highlighted the importance in Norwegian culture of trust relationships and there is also a right of appeal on decisions (although this may take time) (Duffy and Jones 2009, European Commission 2009).

The QP plan content is jointly agreed with the client; it emphasises social participation and the work focused element rises over time. But with the QP, personalisation is incomplete. There is still a categorical approach to 'activity plans' although clients can request 'individualised' plans. Only these latter plans are signed by the client – because the detailed records on individual users will involve multi-agency data sharing but only some of it appears to need the client's permission, for example phone calls to doctors and teachers (Duffy and Jones 2009, European Commission 2009).

1. Commission Recommendation of 3 October 2008 on the active inclusion of people far from the labour market (2008/867/EC)

2. This is a European Union initiative for sharing national good practice. The author participated as one of the four representatives of the European Anti-Poverty Network, the civil society participant in the peer review.

In the context of the Active Inclusion Recommendation, the following provides an assessment of the three main pillars of the QP to date.

Labour market integration

The peer review provides some insights on this pillar, but it is too early for a quantitative outcome evaluation. A controlled trial evaluation of the precursor programme to the QP using 2003–4 data showed significant reductions in the time taken for recipients of social assistance to get jobs, but little or no impact for single parents or migrants, possibly because they have access to other programmes, and small perverse effects of decreased likelihood of employment for young people, possibly due to 'lock-in' effects of programme participation (Rønsen and Skarøhamar 2009).

Adequate income

Beneficiaries receive a stable income with a child element and supplements available, paid as a salary, fully taxable and providing pension points. This income is higher and less stigmatising than social assistance, where the amount is discretionary (there is no official national minimum income in Norway) and must be reapplied for frequently. But post-tax incomes are well below the 60 per cent relative poverty threshold; the child element is small and there is no legal floor to the local impact of sanctions on income (Duffy and Jones 2009).

Benefit incomes are substantially below Norway's minimum wage and access to waged income is central to the programme objectives of employment and wellbeing. Norway has low (but rising) unemployment and case workers spend time building relationships with local businesses who agree to offer work experience or jobs to clients but it is not clear that there is yet a consistent policy on employer engagement (Duffy and Jones 2009).

Access to quality services

The QP integrates into local offices, staff and services from the previously nationally organised employment and welfare services and municipally organised social services. User groups are consulted about the service and may offer peer to peer support.

A wide range of support including psychological services is available in most districts of Norway, and access is free at the point of need.

Entry to QP is voluntary, but individuals may be invited to participate and may incur benefit sanctions if they choose not to take up the offer. It is a concern that entry eligibility to the QP is based on a work capability test, which is not updated and has no formal link to a health needs assessment (health services are not a full part of the integrated local offices).

The Norwegian government recognises areas for improvement such as the need to provide the full range of services in remote and rural districts and integrating the working cultures and objectives of employment and social workers.

Conclusion

In many European countries, too heavy a burden in tackling working age poverty is borne by residual social assistance systems and city-level interventions targeted at poor people and neighbourhoods. When these systems fail to improve people's labour market integration, there are cost pressures on social budgets. There is clear evidence that social assistance recipients in Europe are living below relative and sometimes absolute poverty lines (Frazer and Marlier 2009).

There is a widespread European trend towards stronger conditionality and sanctions in benefits systems as well as cuts in benefits with attendant risks to human dignity and the potential to reinforce structural poverty. Stiglitz (2009) has suggested that such programmes can be most effective in the context of strong preventative welfare systems and where they have widespread support.

Norway's QP is novel because it tackles working age poverty through intensive personal support in addressing all three dimensions of active inclusion (employment, adequate incomes – including benefit income – and access to services). It attempts to retain principles of autonomy and active citizenship for marginalised groups. Its precursor programmes, which it has drawn on, achieved success in labour market integration of some target groups. But it is not cheap to operate and it takes place in the context of the Nordic system of universal social welfare, and good wages and working conditions. It is worth watching for evidence of whether the goals of combating poverty and sustainable labour market integration can be jointly achieved.

Katherine Duffy is Academic Head of the Work Based Learning Unit at De Montfort University, Leicester.

The European Anti Poverty Network (EAPN) forms part of the European Platform of Social NGOs which lobbied successfully on the Active Inclusion Recommendation to ensure reference to 'quality' in social services and employment and to 'adequate' rather than 'minimum' income.

References

- Duffy K and Jones S (2009) Stakeholder EAPN: Peer Review: developing well targeted tools for the active inclusion of vulnerable people, Norway, 29-30 October. EAPN, www.peer-review-social-inclusion.eu
- European Commission, DG Employment, Social Affairs and Equal Opportunities (2009) Norway 2009: Peer Review 29-30 October 2009: Developing well targeted tools for the active inclusion of vulnerable people: Minutes, www.peer-review-social-inclusion.eu
- Frazer H and Marlier E (2009) Minimum income schemes across EU member states: synthesis report, prepared on behalf of the European Commission DG Employment, Social Affairs and Equal Opportunities, CEPS/INSTEAD, Brussels, October
- Prins R (2009) Synthesis report: developing well targeted tools for the active inclusion of vulnerable people, Peer Review: developing well targeted tools for the active inclusion of vulnerable people, Norway, 29-30 October, ASTRI Research and Consultancy Group, www.peer-review-social-inclusion.eu
- Rønsen M and Skaröhamar T (2009) 'Do welfare-to-work initiatives work? Evidence from an activation programme targeted at social assistance recipients in Norway', *Journal of European Social Policy*: 19; 61-77
- Stiglitz J (2009) 'The global crisis, social protection and jobs', *International Labour Review*, Vol. 148, No.1-2; 1-13

1.4. After labour market reform: welfare-to-work and personalisation in Germany

Georg Worthmann

Since 2005, labour market reform in Germany has distinctly changed the conditions for supporting job-seekers and those in need of welfare support. The changes apply to people who are eligible for benefits and affects how they are mobilised towards work, and how their support services are integrated. The main element of the reforms has been the merger of unemployment assistance and social assistance to a new form of public welfare – the Basic Income Support (BIS) for Job-Seekers – which redefined the group of people who were eligible for benefits.¹ The reforms also emphasise labour market ‘activation’ (explained below). Thus there has been a paradigm shift within the benefits system in Germany to a more activating welfare state, following in the footsteps of the UK, the state of Wisconsin in the USA, the Netherlands and Denmark.

This essay explores the impact of the labour market reforms in Germany and draws on the outcomes of some model projects working with welfare recipients re-engaging with the labour market.

A shift towards greater conditionality

The principle of activation is expressed in the concept of ‘fördern und fordern’, which can be translated as ‘promoting and obliging’ (Knuth 2006). The system links the receipt of benefits to conditions and ‘active collaboration’ on behalf of the recipient. This includes activities such as cooperating with advisers in job centres, accepting job offers or participating in training. The job centre has also refocused, directed by business objectives and indicators regarding integration rates and profitability. However, this often leads to strategies being dominated by the short-term goal of reducing costs by getting people into jobs quickly (Worthmann 2010).

These combined changes have an impact on the type of provision available to BIS recipients. For example, many recipients work for temporary work agencies or in so called ‘mini-jobs’, i.e. a job which is not subject to social security payments, does not generate the right to claim social security protection and yields an earning of €400 at most. These jobs rarely result in sustainable integration into the labour market. In 2009 about half of the *employed* recipients of BIS (approximately 640,000) were working in mini-jobs. Even though the Federal Agency of Work (FAW) encourages employers to transfer mini-jobs into forms of employment that are subject to social security payments, this does not often happen.

Although mini-jobs can be seen as a stepping stone into permanent employment, some studies show that they seldom lead to employment with more working hours and that they prevent participation in training that leads to qualifications (IAQ et al 2009). The employment effect of temporary work of less than three months can be rated as minor as it rarely leads to sustainable employment (FAW 2010). Research also shows that only seven out of 100 people who are long-term unemployed find a regular job after being a temporary worker (Lehmer and Ziegler 2010). Job centres often encourage people into mini-jobs and temporary work rather than training as it contributes to their overall targets. This short-sighted strategy for integration means that the available budget for promotion of recipients of BIS is not being utilised to its full extent (Worthmann 2009).

1. The entitlement for BIS exists for individuals who are capable of gainful employment and in need of aid.

A shift towards personalisation in support

A number of model projects have been enacted on a local and regional level within the last three years. These projects, which are happening outside the realms of the job centre, mainly focus on BIS recipients from particular target groups (such as adolescents, the elderly, single parents, migrants and individuals with health restrictions) who have multiple barriers preventing them from working. These individuals are helped to overcome their barriers via innovative methods: for example, staff give special forms of counselling, have contact with local employers, pinpoint what qualifications are needed, refer people to third parties to assist them with social problems, and facilitate provision of child care. In contrast with job centres, which have limited resources, the model projects are able to take specific needs into account, with their advisers receiving special training and having more time and financial resources to invest in each person.

The examples in the following table show the wide range of support and guidance within these model projects.

Examples of model projects				
Model project	Target group(s) (all BIS recipients)	Objectives	Type of approach	Staff training
Active Family	Lone parents, families with barriers to work and a large number of children	Labour market integration of 60% of family members able to work, reduction of benefit costs, improvement of self-reliance and social participation	Individual family coaching (taking account of specific family situations)	Family coaching
Self-mediation*	Older clients (age 50+) and/or long-term-unemployed (2 years+)	Development of a labour market perspective and new strategies for job hunting	Transfer of established self-mediation approaches to long-term unemployed	Training for self-mediation approaches
Health-related case management	Clients with health problems that affect ability to work	Improvement of health and labour market integration	Connection of labour market support and health-related measures	Network of case managers and physicians, psychologists, rehabilitation advisers (etc.)

* Job-seekers receive support to undertake responsibility for their own lives. The aim is to encourage the confidence and competence for autonomous labour market integration.
References: Klein and Kühnlein 2009, ARGE Unna 2010, Ennepe-Ruhr-Kreis 2010, Land Brandenburg 2008

Depending on the target group the barriers to working vary: in the family group, they might be related to debt, drug dependency, lack of language skills or child care issues. Older long-term unemployed people experience problems such as a lack of suitable work experience and age discrimination. By learning how to help themselves, these clients can disprove those assumptions and surmount these placement obstacles. Clients with health-related barriers to work are often involved with a range of different agencies, which deal with different aspects of their care and support. They are supported by a network of case managers with the long-term objective of integrating their support services. Some model projects include giving support to (former) recipients after they have integrated into the labour market.

Advantages of personalisation

Model projects run by third sector providers have multiple advantages: their support tends to focus on sustainable employment in the long term; trained staff is able to give specialised

attention to the job-seeker and the difficulties they are experiencing – both for individuals and also taking into account the needs of families.

In many cases the cooperation of local institutions and having good relationships with local businesses is important to the process. Local providers of social services are often established within a particular region and have a good understanding of the regional labour market and of the job creation programmes that exist in that area.

Another advantage is that, in contrast to job centre staff, the models' staff and experts keep the provision of advice and sanctions separate. This results in better support and a better relationship between client and adviser.

Conclusion

The model projects referred to in this essay have developed a number of innovative approaches to supporting job-seekers. The employability of the participating clients has improved considerably. Furthermore, some of the model projects show integration rates of 40 per cent for clients with (multiple) difficulties, i.e. they found employment with social security payments or started an apprenticeship (Klein and Kühnlein 2010). A distinctive element of the model projects is the placing of labour market measures outside the job centres and an increased use of personal support.

Of course these results refer to example programmes that have been undertaken with only small numbers of clients. It is still to be seen whether the positive results from the model projects can be transferred to standard work programmes. On the one hand the resources invested mean that success is likely to a degree but it is not yet known what impacts the current fiscal retrenchment will have on labour market policies. What is obvious is that innovative approaches that encourage employability, job sustainability and job creation are essential.

References

- ARGE Unna (2010) 'Life/Work Planning: Neuer Weg zum Job', press release, 19 March, www.arbeitsagentur.de/index.php?id=279&tx_ttnews%5Bp5%5D=1269545430&tx_ttnews%5Btt_news%5D=305&tx_ttnews%5BbackPid%5D=109&cHash=9c99e95a2f
- Ennepe-Ruhr-Kreis (2010) 'Neues Projekt für Langzeitarbeitslose', press release 19 February, www.ennepe-ruhr-kreis.de/Pressemeldung.62+M5ac721555d3.0.html?&tx_ttnews%5BbackPid%5D=63&tx_ttnews%5Bp5%5D=1276991511&tx_ttnews%5Bpointer%5D=5&tx_ttnews%5Btt_news%5D=1576
- FAW (2010) (Bundesagentur für Arbeit): Der Arbeitsmarkt in Deutschland. Zeitarbeit – aktuelle Entwicklungen, January, www.pub.arbeitsagentur.de/hst/services/statistik/000100/html/sonder/zeitarbeit_in_deutschland_1h_2009.pdf
- IAQ/FIA/GendA 2009: Bewertung der SGB II-Umsetzung aus gleichstellungspolitischer Sicht. Endbericht. Duisburg/Berlin/Marburg, http://www.bmas.de/portal/40202/property=pdf/f396__forschungsbbericht__anhang.pdf
- Klein B and Kühnlein G (2009) Förderung von erwerbsfähigen Hilfebedürftigen in Bedarfsgemeinschaften durch familienintegrative Qualifizierungs- und Betreuungsansätze in Lünen, Selm und Hamm, Abschlussbericht der wissenschaftlichen Begleitung, Sozialforschungsstelle Dortmund, Technische Universität Dortmund
- Knuth M (2006) 'Activation as a Change of the "Unemployment Regime". Implications for the German Employment System at large', paper prepared for the ASPEN/ETUI conference on Activation policies in the EU, October 20-21, Brussels, www.iaq.uni-due.de/aktuell/veroeff/2006/knuth06.pdf

- Land Brandenburg (2008) Ministerium für Arbeit, Soziales, Gesundheit und Familie des Landes Brandenburg, AmigA - Arbeitsförderung mit gesundheitsbezogener Ausrichtung. Leitfaden für die praktische Umsetzung, www.masf.brandenburg.de/sixcms/media.php/4055/lf_amiga08.pdf
- Lehmer F and Ziegler K (2010) 'Brückenfunktion der Leiharbeit. Zumindest ein schmaler Steg', IAB-Kurzbericht 13, <http://doku.iab.de/kurzber/2010/kb1310.pdf>
- Worthmann G (2010) 'Erwerbsintegration von Frauen im SGB II – Kurzfristige Strategien statt Gleichstellung', in Rudolph C and Jaehrling K (eds) Gleichstellung im SGB II, Münster (forthcoming)
- Worthmann G (2009) 'Activation of unemployed and jobseekers. Impact of the labour market and benefit reform in Germany', paper prepared for the Second ASPEN/ETUI-REHS conference on Activation and Security, March 20-21, Masaryk University, Brno, Czech Republic, <http://aspn.fss.uu.nl/conference2009/docs/GeorgWorthmann.pdf>

Section 2. Citizens: meeting different needs

Summary of contents

2.1. Project Match: welfare-to-work from a human development perspective, by Suzanne L. Wagner and Toby Herr

This essay describes the Chicago-based Project Match's approach of the 'incremental ladder to economic independence'. Wagner and Herr argue that this gradual, community-based approach to employment support is essential to develop the potential and experience for adults who have been categorised as 'workforce failures'.

2.2. Supporting 'generation zapper' into lasting employment, by William Smith and Jenny Ross

The focus of this essay is the role of the personal adviser in supporting young people. Smith and Ross, using UK and French examples, argue for a one-to-one approach centred on engaging and working with young people to support their transition into sustainable work and preventing a scarred generation from forming.

2.3. Adjusting the system: supporting people with disabilities into work, by Carole J. Barron

Barron outlines an approach from Canada that has been successful in supporting people with disabilities into work. She argues that jobs often require adaptations to meet individuals' needs.

2.1. Project Match: welfare-to-work from a human development perspective

Suzanne L. Wagner and Toby Herr

Since 1985, Chicago-based Project Match has designed and implemented employment-focused programmes for some of the most economically disadvantaged populations in the United States. All of its programmes – including, most recently, the Pathways Case Management System (for government welfare agencies) and Pathways to Rewards (for public housing developments) – are rooted in theories of human development, which draw on a range of disciplines including psychology and sociology to understand how and why people change and grow. This approach sets Project Match's programmes apart from prevailing workforce models, which focus on ameliorating a discrete set of problems that are presumed to be the main reasons people do not work; these 'barriers to work' range from limited education to lack of child care or transport options, to depression or domestic violence.

While such problems should be addressed if possible within the programmatic context, Project Match has always found that problems in and of themselves are not good predictors of workforce success. Two people who are demographically very similar and also share the same personal and family problems – for example, depression and a sick child – can end up looking very different in the workplace over time. For this reason, Project Match's programmes also incorporate elements aimed at promoting psychosocial processes that underpin positive individual development.

The ladder concept


Project Match's developmentally-based approach is reflected in the 'incremental ladder to economic independence', a visual metaphor for reconceptualising the process of workforce attachment¹ (see diagram, next page). The ladder emerged out of Project Match's experience operating a community-based employment programme that served low-income African-American men and women of all ages. Few of the participants had a history of regular employment, and many of the women were long-term welfare recipients. Project Match subsequently developed ladder-based programme models that have been implemented with a range of disadvantaged populations in the United States, as the basic tenets of the ladder have proved generalisable across most low-income groups.

Embodied in the ladder is the fact that the level of job-readiness within disadvantaged populations is wide-ranging – some people need nothing more than a job lead, others have not even mastered arriving on time – so there must be a correspondingly broad range of activities to serve as starting points and stepping-stones. Recognising that standard employment and education activities are not a good first step for some people, particularly if they have failed in those settings before, Project Match theorised that activities in which they are already involved as parents and community members can be structured to promote basic skills and competencies necessary for workforce success. Therefore, in addition to employment and education/training, the ladder includes child-focused activities, volunteer/community-services activities, and self-improvement activities. Further, each category of activity is broken down into increasingly demanding responsibilities and time commitments.

Whereas traditional employment models offer only 'upper rung' activities, the ladder – with the addition of lower and middle rungs – ensures that there is a starting place for everyone

1. Project Match first wrote about the incremental ladder in Herr and Halpern (1991).

The incremental ladder to economic independence

		Unsubsidized Jobs 40 Hours/Week (Over \$8.00/Hour, Benefits) Over 5 Years 4-5 Years 1-3 Years		
		Unsubsidized Jobs 40 Hours/Week (\$8.00/Hour or Less) Over 1 Year 7-12 Months 4-6 Months 0-3 Months		
	Scheduled Hours 20 Hours/Week or More Outside Community (e.g., Hospitals) In Community (e.g., Child's School)	Unsubsidized Jobs 20 Hours/Week or More 7-12 Months 4-6 Months 0-3 Months	20 Hours/Week or More College Vocational Training High School ABE/GED	
5 Hours/Week or More Community Activities (e.g., Scout Leader, Coach) School-based Activities (e.g., Homework Mother) Other Activities (e.g., Museums)	Scheduled Hours 11-19 Hours/Week Outside Community (e.g., National Organizations) In Community (e.g., Church)	Unsubsidized Jobs Less Than 20 Hours/Week 7-12 Months 4-6 Months 0-3 Months	11-19 Hours/Week College Vocational Training ABE/GED Literacy	5 Hours/Week or More Crafts/Sewing Exercise Class/Aerobics Substance Abuse Treatment
3-4 Hours/Week Family Literacy Programs Family Support Programs (e.g., Parenting Education Class, Drop-in Center)	Scheduled Hours 1-10 Hours/Week Local School Council Tenant Management Board Child's School Head Start	Subsidized Work On-the-Job Training Work Supplementation Work Experience (CWEP)	5-10 Hours/Week ABE/GED Literacy	3-4 Hours/Week Crafts/Sewing Exercise Class/Aerobics Substance Abuse Treatment
1-2 Hours/Week Act on Referrals in a Timely Manner Take Child to Extracurricular Activities Regularly Get Child to School on Time	Unscheduled Hours Local School Council Tenant Management Board Child's School Head Start	Internships with Stipends Structured Activity w/ Stipends (e.g., Wic Clerk, Head Start Aide) 7-12 Months 4-6 Months 0-3 Months	1-4 Hours/Week ABE/GED Literacy	1-2 Hours/Week Family Counseling Individual Counseling Parenting Classes
Activities With Children	Community Service	Employment	Education/Training Activities	Self-Improvement Activities

that is not so high that the person falls off, but high enough that he or she can master a new skill or competency and make incremental progress towards bigger goals. The ladder also provides a way to imagine how individuals can create their own 'pathways' to economic stability, by engaging in activities in unique sequences and combinations.

Operationally, programmes based on the ladder are effective only if staff review participants' progress on a regular and frequent basis, preferably every month, and at the very least every quarter. If a person is doing well in a volunteer activity, for example, the next month staff should help that person increase their hours, take on more demanding tasks, or even make the transition to a higher-level activity. Project Match calls this process 'upping the ante,' and it requires a fair amount of staff sophistication to pinpoint with an individual a more challenging goal that would be a 'stretch' but also have a high likelihood of success, in order to keep the person motivated and making progress.

For one lifelong resident of state housing who has rarely even ventured outside her Chicago neighbourhood, the last six months have taken the following form: she began volunteering an hour or two each weekday for Westhaven Kids Watch, a Project Match-sponsored afterschool safety patrol, for which she could earn five dollars for each daily patrol completed successfully. At first, she was regularly late and was told that unless she got to her scheduled patrols on time, she could no longer participate. She quickly proved she could be reliable, always signing in according to schedule. The next 'upping the ante' was for her to master tasks associated with being the patroller with the two-way radio, which enables the Kids Watch teams to be in contact with regular security staff in the school, in the event of a serious incident among schoolchildren on the way home. And then this spring, buoyed by her Watch experience, she was encouraged to apply for Chicago's Summer Nutrition Program, a city job that is temporary and part-time but that includes food-service training and pays real wages – a huge step for her.

Working with traditional performance measures

Project Match tracks and values these incremental achievements, but the ladder concept does not mesh well with traditional workforce performance measures, which focus only on

high-level, major achievements such as job placement, retention and advancement. Such measures do not capture the progress of people who are still lower on the ladder when the time comes to report outcomes. Particularly in government-funded programmes, there can be a big disconnection between what people are accomplishing and what is being tracked, because of limited accountability measures. With the Pathways Case Management System, for example, which was designed for county welfare agencies, primarily in New York and California, federal work requirements sometimes made it difficult to implement the system as envisioned, since not all of the activities in which Pathways clients were allowed to participate were countable towards the federal participation rate (Pavetti *et al* 2005). In programmes that do not rely completely on government funds and therefore can incorporate a broader range of performance measures, fuller implementation of ladder-based models is possible.

Also embodied in the incremental ladder is the expectation that the process of workforce attachment can take years. Data from Project Match's own community-based employment programme in Chicago revealed that only about 50 per cent of participants become steady workers after five years of participation – that is, they work month in and month out during the year (Wagner *et al* 1998). And a comprehensive review of the research literature has shown that this experience is not anomalous: over the past two decades, one study after another has shown that most people in welfare-to-work and workforce development programmes in the United States do not become steady workers, employed 11 or 12 months of the year. Instead, the majority end up never working or working only intermittently (Herr and Wagner forthcoming).

Moving beyond the limits of traditional initiatives

The statistics on sustained employment are amazingly consistent over the years, whatever the mix of programme services, government mandates, income supports, or labour market conditions. Programmes might have pre-employment services only or both pre- and post-employment services; they might be 'light touch' or 'intensive'; they might include education and training. Programmes might be voluntary or mandatory; there might be partial sanctions or full sanctions for non-compliance. Programmes might provide earnings disregards or wage supplements for those who work; there might be other benefits like child care or health care as well. The labour market may even be good for low-skilled workers. But the picture never looks any different: at least 50 per cent of participants in welfare-to-work and workforce development programmes do not end up working steadily, even in programmes that have high job-placement rates, and there is a sizable subgroup that does not work at all.

In the face of such data, Project Match's developmental approach takes on even greater significance, because it provides alternatives for 'motivated non-workers.' While this group may never get to the top of the ladder, through participation in carefully structured, ongoing community- and child-focused activities, they can have positive and lasting effects on community life and children's development. Particularly when it comes to child-focused activities, which we have come to call 'do for your kids', the long-term payoff may be most valuable, especially by helping children succeed in school. For the welfare and workforce fields, the challenge is to balance a focus on mainstream employment with an acknowledgment that it may not be a realistic goal for all programme participants.

So far, however, neither policymakers nor programme administrators in the United States have wanted to accept the limits of traditional workforce initiatives and their response has been to continue tweaking barriers-focused models and to experiment with various carrots and sticks, hoping for better employment outcomes. But how much more productive it would be if government and society could begin to imagine an alternative set of meaningful

activities and outcomes for people who fail to become workers after repeated participation in employment-focused programmes. Project Match has seen the potential of this shift in expectations, as adults who have long been considered workforce failures are given the opportunity to develop in other roles that contribute to the wellbeing of their children and the vitality of their community.

Suzanne L. Wagner is Executive Director of Project Match. Toby Herr is Project Match's founder and currently Director of Program Development. See www.pmatch.org.

References

- Herr T and Halpern R (1991) *Changing What Counts: Rethinking the Journey Out of Welfare*, Chicago: Project Match
- Herr T and Wagner SL (forthcoming) *A New Social Policy for Those Among the Long-term Unemployed Who Do Not Become Steady Workers*, Chicago: Project Match, forthcoming
- Pavetti L, Derr M, Kauff J and Kirby G (2005) 'Universal Engagement in Practice: Lessons from the Implementation of the Pathways Case Management System', Washington, DC: Mathematica Policy Research
- Wagner SL *et al* (1998) *Five Years of Welfare: Too Long? Too Short? Lessons from Project Match's Longitudinal Tracking Data*, Chicago: Project Match

2.2. Supporting 'generation zapper' into lasting employment

William Smith and Jenny Ross

In French, 'zapper' means to channel surf. The young 'generation zapper' is perceived by many as lacking commitment and concentration. In the context of employment, this translates to a perception that they flit from one thing to another without settling or being adequately focused on finding and keeping work.

This essay will look at the role that personal advisers can play in supporting and challenging young people as they make the transition from education to lasting employment. It draws on Ingeus's experience of working with over 50,000 young people in the UK, France, Germany and Sweden and focuses particularly on the UK's New Deal for Young People and France's Hope for the Suburbs (*Plan Espoir Banlieues*) programmes. It highlights key issues to consider when developing or procuring programmes to address youth unemployment.

The challenges facing young people entering or trying to progress in the labour market are daunting. In France and Italy about one young person in four is unemployed while in Spain more than 40 per cent are jobless (OECD 2009a). Increased competition for jobs makes it harder for all jobseekers, but failure to get a first job or keep it for long can affect a young person's labour market chances for life, with a year's unemployment before the age of 23 resulting in an average wage a decade later 20 per cent lower than what it would otherwise have been (Gregg and Tominey 2004).

Governments have focused on tackling youth unemployment both to address the ageing of the labour force and as a key part of their response to the economic crisis (OECD 2009b). There has been increased investment in dedicated programmes for young people – for example Sweden's Job and Development Guarantee and the UK's Future Jobs Fund and Young Person's Guarantee.

'Make-work' versus personal advisers

In addressing young people's labour market challenges there have been three main approaches:

- 'Work-first' – providing support to find work, sometimes through a personal adviser-led model
- 'Skills-first' – training programmes to improve young people's chances in the labour market
- 'Make-work' – programmes which provide work placements, job subsidies or internship opportunities.

Increasing consensus has been building at European Commission and OECD level that 'work-first' programmes are the most effective way of implementing active labour market policies (Carcillo and Grubb 2006, GHK Consulting Ltd 2009). In the current context (with a shortage of vacancies in many economies), the tendency might be to increase investment in skills programmes for young people but the OECD recently warned that 'the international evidence of training programmes is not encouraging' (OECD 2009b).

Young people are often keen to move on from formal education which, when coupled with their limited understanding of expectations of employers, can undermine 'skills-first' and 'make-work' programmes. In contrast, the success of the personal adviser-led approach is in both recognising the impact of these shared challenges as well as acknowledging the unique needs and aspirations of each individual. Advisers work with young people to develop a

personal action plan for employment. This has a clear goal and series of activities and enables a sense of momentum to develop.

Personal advisers in the UK and France

In the UK, the New Deal for Young People (NDYP) was a flagship New Labour policy introduced in 1998 and funded by a one-off £5bn windfall tax on privatised utility companies. At the heart of the year-long New Deal was the key role given to the personal adviser – whose knowledge and expertise was crucial to the operation and success of the programmes. The New Deal was later rolled out for other target groups. Over 12 years later, and despite the increased flexibility that welfare-to-work providers have to design into their programmes, the most successful still have the personal adviser at the core of their service delivery (Hasluck and Green 2007). Insight and experience from New Deal programmes have been translated internationally.

In France, Nicholas Sarkozy's *Plan Espoir Banlieues* (Hope for the Suburbs plan, Government of France 2007) aims to work with young people to support them into work, training or self-employment. Similar to the UK's New Deal, the personal adviser model has been at the core of this programme. The adviser aims to provide young people with a sense of purpose and connectedness, as well as increasing their feeling of control, choice and motivation. In addition, the level of increased activity and intensive support that come from a one-to-one relationship with a personal adviser has resulted in an improved likelihood of the young person securing lasting employment. The adviser model rests on critical principles that include a focus on engagement as well as on attitudes and behaviour.

In order to equip young people with the skills to succeed in the labour market, they have to be actively and willingly engaged in the programme. In the UK, young people were required to participate in NDYP as a condition for receiving state benefit payments. In France there is no requirement for young people to participate (as most receive no benefits) but if they sign up to a 'contrat d'autonomie' then they receive an allowance while they are on the programme. Regardless of whether young people come to the programme as result of a 'stick' or a 'carrot', the adviser's number one goal is to engage the young person in active participation as opposed to just 'turning up' (as they may have done at school).

Ingeus has developed a dedicated website to support engagement in France (www.pasdequartierpourlechomage.fr/). It is presented in a blog-type format, aimed at a young audience, with information about local events, articles of interest, interactive features such as videos, and success stories – as well as the job-related information. Young people are also encouraged to join the programme through advertisements on local youth radio stations. In the UK, Ingeus's approach has seen the development of a version of Pop Idol for clients interested in music.

Although in both the British and French programmes it is possible to reduce a young person's benefit or payments for non-participation, most advisers would see this as a 'last resort'. Instead, advisers focus on setting boundaries and ensuring their clients understand the consequences of their actions. This is an important element in building trust and rapport, and our experience shows that many clients who have been challenged by advisers in relation to their behaviour re-engage and go on to benefit from the programme.

The role of the adviser in both programmes is also one of both support and challenge. Regular, job-focused engagement with their adviser can help young people to maintain commitment, develop work-appropriate behaviours, establish routine, build their strengths and capabilities and progress towards work.

Because many young people have not experienced a work environment when they join Ingeus's programmes, the personal advisers often take on the role of peer mentor or role model – helping them to understand the expectations of employers and appropriate in-work behaviour.

In addition, if having a job is not the 'norm' within a person's peer group, the adviser must first counteract this negative peer pressure by highlighting the benefits (predominantly financial) of working. Through using group work alongside adviser support it can be possible to create new peer groups that reinforce behaviour that helps clients become work-ready.

Key issues to consider

Ingeus's experience across Europe highlights the value of the one-to-one relationship with the personal adviser in supporting the transition of young people from school/college into sustainable employment. For 'generation zapper' it is critical that governments across Europe and beyond continue to invest in programmes for young people and understand the need for a model that recognises the importance of engagement and changing attitudes and behaviour.

Some key guidelines are as follows:

- **Intervene early:** Career counselling, advice, resources and a belief the clients have choice, regardless of their circumstances, could be provided by personal advisers prior to a person leaving school/college. In Germany the Bundesagentur (German equivalent of Jobcentre Plus) plays this role and has proven beneficial for young people.
- **Equip young people with skills needed by employers:** As the economy and the labour market change it is critical that young people are being trained in the new skills for the new jobs available.
- **Harness technology alongside adviser support:** New technology and social networking sites have the potential to increase the efficiency of support provided through employment programmes. Many young people engage readily with online activity. However, a personal adviser relationship remains critical to maintaining motivation, building skills and capabilities, tracking progress and modelling work behaviour.
- **Make sure programmes build long-term employability:** It is critical that governments ensure that their programmes are part of a pathway to a 'real job' to ensure young people engage, remain motivated and gain a sense of purpose from being involved.

William Smith is CEO of Ingeus Europe and Jenny Ross is Manager, Ingeus Centre for Policy and Research.

References

- Carcillo S and Grubb DB (2006) *From Inactivity to Work, the role of Active Labour Market Policies*, Paris: OECD
- GHK Consulting Ltd. (2009) *Conference Labour Market Institutions In Times Of Crisis: Challenges & Experiences*, Brussels, 14 -15 May 2009, Final report on the main discussion points, A report submitted by GHK, Brussels: GHK Consulting Ltd.
- Gregg P and Tominey E (2004) 'The wage scar from male youth unemployment', CMPO Working Paper Series No. 04/097, www.bristol.ac.uk/cmppo/publications/papers/2004/wp97.pdf
- Government of France (2007) *Hope for the suburbs: a New Dynamic for France*, www.gouvernement.fr/gouvernement/plan-espoir-banlieues-une-nouvelle-dynamique-pour-la-france

Hasluck C and Green AE (2007) 'Active labour market policies in international context: What works best? Lessons for the UK', Department for Work and Pensions Research Report 407, http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_407.asp

OECD (2009a) Employment Outlook, Paris: OECD

OECD (2009b) Tackling the Jobs Crisis, The Labour Market and Social Policy Response, Theme 3 – Helping Youth to Get a Firm Foothold in the Labour Market, Paris: OECD, www.oecd.org/dataoecd/44/8/36945194.pdf

Adjusting the system: supporting people with disabilities into work

Carole J. Barron

The Canadian economy is evolving and restructuring. Effective strategies to assist job seekers with disabilities, people with multiple disabilities, families, businesses and communities to achieve greater capacity and independence are required.

There are 4,363,150 adults and children with disabilities in Canada (14.3 per cent of the population). A 1.9 per cent increase noted since the 2001 census (Human Resources and Skills Development Canada 2009) can be largely attributed to the ageing of the population as well as to an increase in reported learning disabilities. Working-age adults with disabilities (15–64 years of age) currently have an employment rate of 53.5 per cent (52.1 per cent for women and 55.5 per cent for men). Employment rates vary by the type of disability; the *Advancing the Inclusion of People with Disabilities 2009* report (ibid) noted that working-age adults with hearing disabilities had the highest employment rate (57.7 per cent). Those with learning disabilities had an employment rate of 41.8 per cent.

As a non-governmental agency with over 35 years' experience working to promote equity in employment, the Canadian Council on Rehabilitation and Work (CCRW) has found a continuing challenge for society is to integrate disabled people into the workforce. These difficulties and challenges are not new; in 1985 the Parliamentary Committee on Equality Rights report to the House of Commons stated:

Disabled people suffer from extraordinarily high unemployment rates. When they are employed, they tend to be concentrated in low-paying, marginal sectors of the labour market. They also have expenses that non-disabled workers do not face, such as medication, special aids and devises, and special transportation services. (Government of Canada's Parliamentary Committee on Equality Rights report, 1985, p105)

So what has changed in the past quarter century? Guardedly, we can say 'something': there have been court challenges and legal arguments serving as tools to implement change. CCRW has designed policies, programmes, goods and services for disabled people and there is an entire industry experimenting, analysing, assessing and measuring change.

Over time the Government of Canada has taken action on disability. This has resulted in a number of improvements to legislation such as refinement of the Disability Tax Credit, the Working Income Tax Benefit, the Registered Disability Savings Plan, review of the Employment Equity Act, and changes to the Canada Pension Plan Disability to name but a few.

While the theoretical removal of barriers at the level of policy and legislation may help to open doors to increase employment of disabled people, such efforts are seldom enough to place individuals with disabilities in meaningful and equitable positions nor to greatly enhance their quality of life. Many barriers continue to exist and are difficult to overcome. Often jobseekers with disabilities do not have the specific transferable skills and experience needed to compete for jobs in today's labour market. Lack of access to specific skills programmes, and the need for supports and adaptations to the work environment that would enable a disabled person to carry out their work requirements, have been noted as contributing factors. Many programmes designed to increase the number of employment opportunities do not have the necessary support available in their structure to ensure disabled people are able to participate and be successful.

Value-added activities

CCRW's findings illustrate that programmes created to respond to the needs of disabled people have become complex and even confusing. This creates a disincentive for individuals with disabilities attempting to make the transition into employment. Practical difficulties concerning the transfer of supports used in the home to the workplace and the fear of losing government benefits are further factors that prevent disabled people from considering training which would enable them to actively seek employment. Participants have told CCRW employment programme staff that the reason they felt they were not successful in other 'disability support' projects was due to the lack of occupational assessment, vocational planning and training, and follow-up support.

In response, the CCRW's employment programmes and projects include seven value-added activities to support the jobseeker:

- **Creating a community profile:** this is to identify the gaps in services for the community as a whole including what is available to support a person with a disability, and the hiring needs of employers. Each employment coordinator consults with community partners, stakeholders and employers to acquire this information. Often, these relationships are maintained throughout a project.
- **Participant outreach:** a recruitment process that allows for a continuous intake of participants. Applications from people with disabilities are encouraged.
- **Initial application and screening** to ensure participants are eligible for programme funding.¹ Participants then complete an in-depth interview. Meeting individually and/or in groups with the employment outreach specialist, each participant identifies a career goal, determines an individualised vocational action plan and prepares to achieve this goal.
- **Accommodation assessment:** the employment outreach specialist determines the necessity for an accommodation assessment to be conducted by a qualified occupational therapist. The results of this assessment are shared with the participant and factored into the career planning process. These assessments provide a basis for the job accommodations that are needed to provide an environment that supports the disabled person's skills and functional abilities and for them to achieve their independence and integration into the workplace.
- **Individualised plan:** each participant will work through an individualised plan leading to training, employability skills workshops, and/or work experience. For job-ready participants there will be a focus on job search and interview preparation.
- **Essential skills development or enhancement:** the majority of jobseekers with disabilities lack basic, essential skills so to enhance these CCRW provides group workshops, which also work as forums to exchange ideas, a support group, and information on accessing community resources. CCRW employment staff identify and access funding for skills development opportunities based on the individualised action plan.
- **Participant follow-up and support:** the employment outreach specialist provides ongoing support and direction for each participant with the expectation that each may have or require several work experience or training programmes to assist in building self-confidence and ultimately lead to successful employment. During work trials or work experience the employment outreach specialist meets weekly with the participant and as necessary (depending on permission from the participant) with the employer. After completion of work trials and when employment has been secured the

1. Ineligible applicants are referred to appropriate programmes in the community.

CCRW employment team members are available to the employer and the participant for a period of up to six months.

- **Evaluation:** all stakeholders and the employer are consulted with the findings from the intake and placement process. Evaluations are reviewed and discussed with staff and are used to ensure quality services are provided.

In CCRW employment programmes, the frontline staff are instrumental to supporting disabled jobseekers. The employment coordinator and employment outreach specialist or job developer then work as a team with the participant. Assessments are undertaken to ascertain what support each individual needs and include ergonomic environment testing. Often a Canadian Occupational Performance Measurement is completed by a certified occupational therapist.

This testing identifies accommodations that may be required in the workplace, as well as any other issues that may need to be addressed prior to work trials or placements, such as pre-vocational assessments and occupational therapy assessments.

Over the four-year period 2005–09, CCRW employment programmes supported 4,690 participants aged between 16 and 71 years. On average eligible participants have been outside the workforce for at least three years and in many cases six years or more. Of these 4,690 participants, 1,088 have required aids or support in performing their jobs.

Conclusion

It remains vital that instead of trying to fit individuals into the system, the system should be adjusted to meet individuals' needs. There are many further questions yet to be answered, such as: how might we better enable the sharing of best practice such that businesses will have improved relationships with community agencies and that access to an effective and untapped labour force can be enabled? We also need to support innovation, networking and partnerships, reduce duplication of services, and provide information, tools, advice and support for disability agencies that are working to promote meaningful and equitable employment of disabled people.

Supporting the employment of disabled people is a complex issue and one that requires customised approaches to each individual's needs. The best approaches support the jobseeker's success while understanding the community and employer's needs too.

Carole J. Barron is President and CEO of the Canadian Council on Rehabilitation and Work (CCRW), the lead Canadian non-profit, cross-disability organisation supporting persons with disabilities, employers and community agencies in advancing equitable employment.

Reference

Human Resources and Skills Development Canada (2009) Advancing the Inclusion of People with Disabilities 2009, www.hrsdc.gc.ca/eng/disability_issues/reports/fdr/2009/page00.shtml

Section 3. Job creation and sustainability: the local labour market

Summary of contents

3.1. Re-thinking re-entry: green jobs at STRIVE, by Stephanie Haas

In this essay Haas outlines an approach from the United States that combines job-readiness training with a focus on entering the 'green jobs' sector.

3.2. Forgotten demand? Welfare-to-work and the UK's missing jobs, by Tess Lanning

Lanning looks at examples of skills utilisation strategies and job rotation schemes in Wales and Scotland to highlight the range of approaches that will be required to respond to local labour market conditions. She argues that employers and clients need to be placed at the heart of welfare policy.

3.1. Re-thinking re-entry: green jobs at STRIVE

Stephanie Haas

In today's economy, it is vital for welfare recipients to have access to job training and education programmes. To succeed in a competitive labour market, possessing the adequate job skills and credentials is critical to becoming self-sufficient and achieving financial stability. The best approaches support an individual's journey to job readiness and at the same time deliver holistic workforce development services.

This short essay examines an example of this combined approach which offers core training to improve attitudes and job readiness as well as focusing on a green jobs training programme. It is likely that these types of programmes will continue to develop in the future.

STRIVE's strategies to make people 'job ready'

STRIVE is an international workforce development agency with 21 affiliates across the United States and six overseas (in the UK and Israel). Its trainers, case managers and job developers play a vital role in supporting each individual in their progress on a long-term career pathway. The intake process includes a one-on-one interview with a case manager who ascertains the life-situational profile of each participant. This is essential to addressing the unique attitudinal, interpersonal, motivational and family-related issues of each individual. The case manager introduces each participant to a particular programme, for instance the Green Construction Program, and assesses whether that particular programme is the most appropriate for the person given his or her career interests, capability, and real or potential employment barriers. The case manager also helps participants with referrals for services such as court advocacy, child care, domestic violence, substance abuse, and health insurance. These support services are provided throughout the programme and during a two-year follow-up period.

Job developers start to work with participants in the third week of the CORE+ programme¹ and continue through the hard-skills development phase. Job developers are responsible for providing job placement services, maintaining relationships with employers and seeking out new job development opportunities. At any time, participants have access to their resumés (CVs) and active jobs from STRIVE's database. Participants receive assistance with resumé writing, interviewing skills and job searches. Job retention and follow-up services are also provided in the form of career counselling/planning, additional skills training, educational opportunities and other services as appropriate.

STRIVE's Green Construction Program

Aware of the skills gap existing in the emerging green labour workforce and willing to provide a diverse set of skills to its participants, STRIVE designed a comprehensive green jobs training programme that trains participants in green construction (basic electrical/plumbing/carpentry), brownfield remediation, weather-proofing ('weatherization') and solar panel installation leading to industry-recognised certifications.

The results of this intervention are promising. In 2009, 145 people completed the training and as of June 2010, 77 individuals have been placed in jobs with an average salary of \$12.22/hour (68.5 per cent above minimum wage), with another two individuals pursuing post-secondary education.

1. The four-week CORE+ attitudinal/job readiness workshop has been STRIVE's signature for over 25 years and has been replicated in 21 sites across the United States and six sites in other countries. During these four weeks, STRIVE's trainers focus on conflict resolution, problem solving, professional dress, interviewing, communication skills, instilling a strong work ethic, reliability, punctuality, and having a positive demeanour.

A recent 'Pathways out of Poverty' government grant of \$4.7m is enabling this programme to be replicated in five other cities (Philadelphia, PA; Hartford, CT; Flint & Benton Harbor, MI; Baltimore, MD). In addition, determined to emphasise the role of women in non-traditional employment such as green construction and solar panel installation, this grant is facilitating a 'Women STRIVE for Green' initiative, which is specifically designed to intensify the recruitment and training of women in the Green Construction Program. STRIVE has partnered with several organisations that specifically serve women to provide referrals and support services.

Now more than ever the connection with the private sector is vital to help place individuals in meaningful employment. STRIVE has long-standing experience in partnering with private businesses and employers to facilitate job placements for its participants and this has become more important in the current economic climate. In addition to the work of its job development team, STRIVE, through its Green Industry Advisory Council, brings together green industry professionals to analyse its green curriculum to suggest any skills-training and credentials that lead to gainful employment. These meetings are essential for developing alliances with businesses that have a good understanding of the struggle of STRIVE's participants and are willing to work with them.

The links with employers need to be constantly cultivated. Another avenue to do this has been STRIVE's involvement in research studies. STRIVE has recently connected with the City University of New York to provide input on employers' surveys. With such partnership, STRIVE anticipates to develop new relations with new employers. Finally, STRIVE has also partnered with the Human Resources Administration (HRA) to benefit from its Wage Subsidy Program (WSP). WSP provides a means to work with employers interested in hiring STRIVE's participants. Both public assistance recipients and non-recipients who meet eligibility criteria can participate. WSP provides funding to non-profit agencies to collaborate with employers to hire people from low-income backgrounds². This can provide these individuals with a unique opportunity to obtain paid employment, develop their skills and receive support services. In its own way STRIVE is creating a green revolution by providing pathways out of poverty for the most marginalised communities.

Stephanie Haas is Fund Development Associate at STRIVE New York. STRIVE works with the hardest to employ and the working poor through support and training. See www.striveinternational.org.

2. New York State Office of Temporary and Disability Assistance, WSP 2009-2010, Performance Management and Accountability, www.otda.state.ny.us/main/pma/programmes/2009-2010-WSP.asp

3.2. Forgotten demand? Welfare-to-work and the UK's missing jobs

Tess Lanning

The persistent criticism that has dogged welfare-to-work policy in the UK is that the huge effort put into improving the skills and employability of the unemployed has not been matched by rising demand for either skills or employees in the job market. The last government dismissed this charge repeatedly, arguing that the supply of labour and skills drives demand; more competition means more jobs. Strong national economic growth fed the belief that 'the problem is not of an inadequate number of jobs... The problem is one of economic inactivity, with not enough people actively searching for work' (ODPM 2005: 26).

The coalition government is forging policy in a very different world, where unemployment is expected to remain at almost 8 per cent amid bleak economic growth forecasts (OECD 2010). Yet the new Work Programme if anything steps up efforts to get people to seek work more energetically, with greater emphasis on job sustainability to ensure people stay in work and do not return to benefits (see Freud 2010). It will fall to providers to achieve this, who under the new regime may only be paid in full once the client has stayed in work for up to 12 months (see Conservative Party 2009).

However, the evidence of the limitations of active job search is persuasive, suggesting that UK businesses lack the capacity to absorb our swollen unemployed workforce. ippr argues that if policy is to reach its goal of reducing inactivity in the long term, welfare-to-work must be reconfigured to meet the complex needs of employers as well as clients.

The limits of employability

Rates of long-term unemployment rise and fall in line with broader employment trends in different areas, suggesting that rather than there being a problem of not enough people actively seeking work, high local competition for jobs pushes out disadvantaged groups (Turok and Webster 1998). The current job market is undeniably competitive: nationally there are 5.2 vacancies to every unemployed person (Office for National Statistics 2010) and in some areas unemployed people outnumber job vacancies by up to 24 to one (Trades Union Congress 2010).

Studies have persistently confirmed that job opportunities vary wildly across the nation (for example Turok and Edge 1999, Buchanan *et al* 2009), and evidence indicates that even in the boom years the return from welfare-to-work interventions was weaker in areas with few job opportunities. Sunley and Martin (2002) found job outcomes on the New Deal for Young People were weaker in deprived areas, while Webster *et al* (2010) found jobs growth had been more effective than welfare-to-work interventions in increasing the employment rates of people on Incapacity Benefit.

It is not just the numbers of jobs that are a problem. The poor quality of many jobs makes it difficult for the Government to meet wider policy objectives to tackle poverty, financial insecurity and low levels of social mobility. More than one in five jobs in the UK are low paid and there is insufficient demand among UK employers for our increasingly skilled workforce (Lawton 2009, UKCES 2009). An astounding 50 per cent of workers feel overqualified for their job (Sutherland 2009) and with the news that there are now 69 graduates for every graduate vacancy (Association of Graduate Recruiters 2010), those with fewer qualifications will be squeezed out of the lower end of the market.

As the coalition government has recognised, job insecurity is a significant problem for many disadvantaged groups. But low levels of retention are not, in the main, caused by people

failing to hold down a job. Evidence shows instead that it indicates the darker side of the UK's 'flexible' labour market. The numbers of people in temporary jobs because they have been unable to find permanent work are up 40 per cent since the recession began (ippr 2010), and a recent evaluation of welfare programmes for the Department for Work and Pensions found that by far the biggest group of claimants – over 55 per cent – had left their last job because a short-term contract ended (Knight 2010).

Findings from ippr's 'Now It's Personal' project (McNeil 2010, forthcoming) reveal that many welfare-to-work clients are reliant on low-paid casual and temporary jobs, often with long periods of unemployment in between. Aside from the difficulty this causes for providers trying to meet the Government's ever more stringent sustainability targets, many clients are stuck in a cycle of low-level jobs. This restricts prospects for stability and progression in work. As one participant told our research:

Even now when I go for a job I'm still at the bottom of the ladder... People tend to plan out and have a stable career path but I've kind of tried that and it hasn't really worked out so I just can't really see myself anywhere in the next 10 years or something. I just haven't got a direction really. (Male, 25 years old)

The most common service offered by welfare-to-work providers in the UK is 'job readiness' training to improve job search, CV and interview techniques. Given the extraordinary challenge presented by the UK's flaccid job market, it is hard to see this as anything but woefully inadequate.

Strategies to boost investment and skills utilisation

Policymakers in Scotland and Wales have become frustrated with the poor economic return they have seen on their investments in skills and employability. The location of jobs and investment depend on a range of factors, including infrastructure, prestige and proximity to other companies, services and skills. Looking to Europe for inspiration, England's closest neighbours have both adopted planning strategies to strengthen infrastructure and encourage economic investment in deprived areas. The Scottish Government has gone further to institute a skills utilisation strategy, working with employers, training providers and trades unions to encourage better use of skills in the workplace (Scottish Government 2007).

Strategic oversight like this can support employers to diversify and invest in the workforce. It will be vital in meeting the demand for skilled jobs and may also support economic growth in the long term, enabling businesses to increase productivity or expand into new sectors. But many New Deal clients are at a disadvantage when competing with other jobseekers. With competition set to remain high for the foreseeable future, how can policymakers ensure that people struggling with health problems, ex-offenders or people that lack the relevant qualifications and experience are attractive to employers?

Meeting the complex needs of clients and employers

The challenge is to develop a structure that supports employers to create good jobs, particularly in deprived areas, and at the same time supports disadvantaged groups to access those jobs. This challenge is set to expand as we enter an era of sluggish job growth where the economy is increasingly reliant on small and medium sized enterprises (SMEs), which often lack the capacity to expand or invest in their staff.

An active labour market initiative from Denmark provides one example of how provision could meet the complex needs of both clients and employers. 'Job rotation' schemes were born out of the 1990s recession, where they helped businesses to weather the downturn and

grow. The Workers Educational Association (WEA) in Scotland has been running job rotation schemes since 1995, after being introduced to them by its sister organisation in Denmark. The WEA works with SMEs – a significant proportion of the Scottish employment base – that want to up-skill existing employees or expand but lack the resources to recruit or the knowhow to secure the necessary training.

Providers develop a business development plan with a local employer, identifying how they can increase productivity. They create tailored courses that address changing training needs and skills gaps in the employer's workforce. Job-specific technical training is typically delivered in the workplace and may include an element of core skills for people who struggle with literacy or numeracy.

Job rotation schemes allow current employees to complete the training by providing a substitute from a pool of unemployed jobseekers, who are also trained. It is crucial that the jobs are matched to the needs and interests of the unemployed clients, who gain relevant on-the-job training and paid work experience, with support from trained workplace mentors and careers advice at entry and exit from the programme.

By sharing the costs of training and recruitment, the approach supports local businesses to compete, improves workplace learning and skills utilisation for current staff, and creates new job opportunities for the unemployed. An impressive 98 per cent of employers interviewed for an evaluation of job rotation in Ayrshire were positive about the approach. Job rotation improved both staff and managers' attitudes to training, and 85 per cent of employers said they would be more likely to provide training for their employees in the future (McTier *et al* 2007).

Job rotation also delivers on sustainability for the unemployed. Because the scheme is linked to business development plans, the majority of employers retain the temporary worker at the end of the placement. The Ayrshire evaluation reported a retention rate with host companies of over 90 per cent and 97 per cent sustainability of job entries six months after leaving the project. The evaluation estimated that – allowing for displacement – around 40 extra jobs were created across 41 companies due to increased productivity generated by job rotation.

Conclusion

The recent economic crisis did, momentarily at least, shake the resolute and historical conviction that 'these unemployed are all unemployables' – one which dismayed George Orwell in another time of high unemployment. Yet England in particular has been slow to take up the challenge of weak employer demand for labour and skills. There is no shortage of innovative initiatives to provide inspiration for a successful welfare system. But if policymakers are to ensure deprived people and deprived places are not left behind in recovery, they must put both employers and clients at the heart of welfare policy.

Tess Lanning is a Researcher at the Institute for Public Policy Research (ippr).

References

- Association of Graduate Recruiters (2010) 'Class of 2010 Faces Uphill Struggle for Jobs', press release, 6 July, www.agr.org.uk/Content/Class-of-2010-Faces-Uphill-Struggle-for-Jobs
- Buchanan J, Froud J, Johal S, Leaver A and Williams K (2009) 'Undisclosed and Unsustainable: problems of a UK business model', Centre for Research on Socio-Cultural Change Working Paper no. 75
- Freud D (2010) Address to Welfare Providers, speech, 2 June, www.dwp.gov.uk/newsroom/ministers-speeches/2010/02-06-10.shtml

- ippr (2010) 'New analysis reveals record numbers unable to find full-time work', press release, 12 May, www.ippr.org.uk/pressreleases/?id=3994
- Knight G (2010) Jobseekers Regime and Flexible New Deal, the Six Month Offer and Support for the Newly Unemployed evaluations: An early process study, DWP Research Report 624, Norwich: The Stationery Office
- Lawton K (2009) Nice Work If You Can Get It: Achieving a sustainable solution to low pay and in-work poverty, London: ippr, www.ippr.org/publicationsandreports/publication.asp?id=641
- London Development Agency (2004) Just the Job? A research project into job brokerage provision in Camden, Islington, Hackney and Tower Hamlets, and the identification of good practice both regionally and nationally, London: LDA
- McNeil C (forthcoming, September 2010) final project report from the Now It's Personal project. See ippr website for details: www.ippr.org/research/teams/project.asp?id=3436&tID=3571&pID=3436
- McTier A, McGregor A, Gilligan M, Landsburgh H and Macdougall L (2007) Evaluation of Job Rotation Ayrshire, Glasgow: Training and Employment Research Unit (TERU), University of Glasgow
- Office for National Statistics (2010) Statistical Bulletin: Labour Market Statistics, July 2010, www.statistics.gov.uk/pdfdir/lmsuk0710.pdf
- Organisation for Economic Cooperation and Development (2010) OECD Employment Outlook 2010 – How does the United Kingdom compare?, www.oecd.org/dataoecd/14/35/45603124.pdf
- Office of the Deputy Prime Minister (2005) Realising the Potential of All Our Regions: the Story so Far, London: ODPM
- Orwell G (1961) The Road to Wigan Pier, originally published in 1937, London: Penguin Books
- Scottish Government (2007) Skills for Scotland: A Lifelong Skills Strategy, Edinburgh: The Scottish Government
- Sunley P and Martin R (2002) The Geography of Workfare: Local Labour Markets and the New Deal, End of Award Report for the ESRC, www.esrcsocietytoday.ac.uk/ESRCInfoCentre/PO/releases/2002/june/youngpeoplework.aspx
- Sutherland J (2009) 'Skills and 'Training in Great Britain: Further Evidence', Education & Training, Vol. 51, No. 7
- The Conservative Party (2009) Get Britain Working: Conservative proposals to tackle unemployment and reform welfare, London: The Conservative Party
- Trades Union Congress (2010) 'Dole claimants outnumber vacancies by five to one', press release, 14 June, www.tuc.org.uk/welfare/tuc-18072-f0.cfm
- Turok I and Webster D (1998) 'The New Deal: Jeopardised by the Geography of Unemployment?', Local Economy, Vol.12, No.4
- Turok I and Edge N (1999) The Jobs Gap In Britain's Cities: Employment Loss and Labour Market Consequences, Bristol: Policy Press
- UKCES (2009) Ambition 2020: World Class Skills and Jobs for the UK, Wath-upon-Deerne: UKCES
- Webster D, Arnott J, Brown J, Turok I, Mitchell R and Macdonald E (2010) 'Falling Incapacity claims in a former industrial city: policy impacts or labour market improvement?', Policy Studies, Vol. 31, no. 2