

Creating a More Inclusive Labour Market

Report 33 · January 2006

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Contents

Preface	vi
Executive Summary	ix
Part A	
Section I Introduction and Overview	1
Section II Changing Nature of the Labour Market	11
Section III Overview of Current Labour Market and Social Inclusion Measures	29
Section IV Best Practice Models of Services Delivery	45
Section V Removing Barriers to Work	61
Section VI Performance Indicators for the National Employment Service	77
Section VII Progression of Low – Skilled Workers	91
Part B Findings from the Commissioned Research Work	109
Part C Summary of Submissions Received	127
Annex I List of Presentations made to the Project Team	141
Annex II Terms of Reference for the Commissioned Research Work	142
Annex III Individuals Interviewed as part of the Commissioned Research Work	144
Annex IV Plenary Session on Creating a More Inclusive Labour Market: List of Attendees	145
Annex V References	148
Terms of Reference and Constitution of the NESF	152
Membership of the NESF	153
NESF Publications	156

List of Tables

Table 2.1	Unemployment Blackspots at Electoral Division Level by County in 2002	15
Table 2.2	Trends in Sectoral Employment 2000–2005	19
Table 2.3	Distribution of Employment Classified by Occupation	20
Table 2.4	Trends in Sectoral Employment 2000–2004 — by Gender	22
Table 2.5	Reductions in Gross Hourly Earnings Associated with Motherhood	24
Table 3.1	Numbers participating on Active Labour Market Programmes 1998–2004	29
Table 3.2	Breakdown of Labour Market, and Social Inclusion Measures 2005	30
Table 3.3	Overview of Selected Local Initiatives 1990–2005	39
Table 4.1	Key Elements of an Inclusive Local Labour Market Strategy	54
Table 4.2	Example of initiatives which provide elements of an Inclusive Labour Market Strategy	56
Table 4.3	Specific Elements of an Inclusive Labour Market Strategy	57
Table 6.1	National Employment Action Plan: Summary of Outcomes 2000–2004	79
Table 7.1	Share (%) of Working-Age Population (15–64) by Educational Attainment Levels in selected EU Countries 2003	93
Table 7.2	Employment and Unemployment Rates by Educational Attainment Level (for age group 15–64) in Ireland 2003	93
Table 7.3	Skill Composition of the Working Population in selected EU Countries 2003	94
Table 7.4	Educational Attainment Level (%) by Sectors of Employment in Ireland 2003	95

List of Figures and Boxes

Figure 1	Ireland: Changes in Labour Force 1993–2004	12
Figure 2	Contribution to Labour Force Growth: Ireland 1990–2020	13
Figure 3	Working-Age Population Projections 2001–2016	13
Figure 4	Number of Notified Redundancies 1990–2004	17
Figure 5	Female Employment shares within Occupations 2001–2010	23
Figure 6	Estimated Migration: Ireland 1996–2005	25
Figure 7	FÁS Placement Outcomes 2004	34
Figure 8	Barriers to Employment, North Dublin — Views of Provider Groups	112
Figure 9	Barriers to Employment, Donegal / Sligo — Views of Provider Groups	113
Box 1	Overview of the Main Recommendations of the Report	xx
Box 2	Policy Arenas where Labour Market Dynamics Create Vulnerability at the Local Level	62
Box 3	Labour Market Barriers and Policy Arenas	63

Preface

As underlined consistently by the NESF in its work, seeking a better balance between economic and social issues is not only desirable on equity grounds but is also necessary to ensure that our growth and prosperity are sustainable into the future. An important challenge in this is that of creating greater equality of opportunity in the labour market for *all* our citizens. This is the focal point of this report. It means addressing those barriers which continue to generate labour market vulnerability affecting many people living in both urban and rural areas.

The responsibility for achieving this goal does not rest with the Government alone but must be shared and involve all interests in our society such as employers, trade unions, statutory bodies, and the community and voluntary sector. An essential requirement of course, is that of creating enough jobs and employers, both in the private and public sectors have the key role to play in this. This in turn will entail complementary policies on the 'supply-side' such as: counselling, access to quality training and education; childcare, eldercare and disability care; housing; transport; and minimising the financial barriers to taking up work (full-time, part-time, temporary — whichever is the most realistic option). The need for strengthened policy action in these areas is all the more underlined by the projected slowing-down in our domestic labour force growth and the increasing demands of our knowledge-based economy for a more highly trained workforce.

The NESF has undertaken several labour market reports since it was established in 1993. The first of these was *Ending Long-term Unemployment*, in 1994, and was influential in shaping policy developments in this area through, *inter alia*, the establishment of the Local Employment Service. Several other NESF reports have been completed since then – the most recent being *Labour Market Issues for Older Workers*, in 2003.

This present report has been undertaken in a much changed economic environment, with our economy having enjoyed over a decade of rapid growth and a dramatic reduction in unemployment. Despite these striking achievements, however, there are still many vulnerable people who for different reasons, experience difficulty finding (and staying in) a job. Moreover, there are unemployment blackspots, in both urban and rural areas, whose relative socio-economic position has not changed over the last decade, despite the economic boom, and where unemployment rates stand at over 24%.

A particular problem is that of the on-going high level of early school leaving (the subject of two earlier NESF reports), given the key role education now plays in our knowledge-based economy. Other groups such as people with disabilities, lone parents, Carers, Travellers, redundant workers, all experience specific barriers affecting their job prospects and we now need to move towards a more personalised needs-based approach to service delivery. We also have a much higher proportion of low-skilled workers in our workforce, compared to that of our competitors and our level of lifelong learning is much lower. A main challenge now is for Government, Employers and Unions to reach agreement on a funding mechanism for sharing the cost of employee training that will boost the level of our skills base.

The report has also been designed to give added-value to and complement work underway in other fora such as the Special Initiatives under *Sustaining Progress* and the new *National Reform Programme Ireland 2005-2008*. The underlying thrust of the report is to enhance the effectiveness of existing policies to help people into work, and the institutions in place to deliver on these policies. We are continuing to spend over €1,000 million a year on measures to help people into work, although our level of unemployment has now fallen dramatically. This report makes recommendations on how this money could be spent more effectively and achieve better results, for the 400,000 vulnerable people concerned, the taxpayer and for the economy as a whole.

In line with its mandate from the Government, this report was discussed at an NESF Plenary Session in mid-October, to which a wide range of guests had been invited, representing interested individuals and groups with practical experience on the ground, (including those who took part in the series of focus group discussions held in Ballymun, Dublin, and in Letterkenny, Co. Donegal), Government Departments, State Agencies and those who made submissions to the Project Team (over 50 of these were received, both from individuals and a wide range of organisations — these are listed in Part C of the report).

Finally, the NESF wishes to record its fullest appreciation to the members of the Project Team for all their hard work and commitment in preparing this report. The Team was drawn mainly from the NESF's four main membership strands. A special word of thanks is due to the Chair, Professor Philip O'Connell from the ESRI, for his contribution in bringing the work to a successful conclusion, as well as to the NESF Secretariat.

January 2006

Executive Summary

Introduction

The purpose of this report is to offer practical recommendations to help create more opportunities for vulnerable people to access training, education and find better quality jobs on the labour market. This will mean improved economic outcomes for themselves, their families and society in the future. There is also a strong business case for a more equal and inclusive labour market approach. It will lead to a more productive, higher skilled work force and help in turn to make our firms more competitive with those in other best performing economies¹. It will also help sustain our on-going social and economic development by helping to fill job vacancies, particularly at a time when our domestic labour force growth is predicted to fall to 0.5 % annually, compared to 3.5 % annually over the last decade. The OECD have recently highlighted their concern that if our potential labour force supply is not mobilised more fully we are likely to experience a sharp slowdown in economic growth rates compared to recent years². While higher immigration could boost growth in the short term, it may become increasingly more difficult, and costly, to attract and integrate greater number of migrants as the rest of Europe ages.

Ireland has less equality of opportunity than other European countries and this has changed little over the last decade despite a huge expansion in education and economic growth³. We now have a wealthier but a more unequal society with the richest 20 % of our working-age population earning 12 times as much as the poorest 20%, — one of the highest levels of market income inequality among OECD countries⁴. Nearly 14% of households in poverty are now headed by those with a job, a rise from 7% in 1994 — an indication that employment is not always, on its own, a route out of poverty.

It is recognised that the market place is the main force in determining the quantity and quality of work available. However, this report highlights the existence of labour market vulnerability for many seeking work and within the workforce. Over €1,000 million of State funding annually is being spent on measures aimed at helping people into work and tackling problems associated

1 Finland, Sweden and Denmark are examples of this. They invest a lot in training, education and caring and social protection generally and are respectively 1st, 3rd and 4th in the World Economic Forum League of Global Competitiveness in 2005 (Ireland is in 26th position).

2 Ageing and Employment Policies, Ireland, OECD, 2005.

3 *Economic Change, Social Mobility and Meritocracy: Reflections on the Irish Experience*, ESRI Quarterly Economic Commentary, Autumn, 2004.

4 *Income Distribution and Poverty in OECD Countries*, OECD Social, Employment and Migration Working Paper 22, Michael Förster and Marco d'Ercole, OECD, 2005.

with labour market vulnerability, much in a way that reflects labour market conditions in the early 1990s, rather than this decade. There is much scope for improving the value and coherence of this expenditure for the 400,000⁵ vulnerable people concerned, by reforming the policies, institutions and measures we have currently in place to tackle the problem of labour market vulnerability more successfully.

Labour Market Vulnerability

A main conclusion of the research work commissioned for this report is that labour market vulnerability is not an aberration or a left-over from the early 1990s — rather it continues to be generated today, even in a tight labour market. There are four main policy arenas: economic, social, labour market and personal, where barriers are interacting to produce such vulnerability, most often experienced by an individual in a group or a cluster. An inclusive labour market strategy must be able to address all of these barriers. Not all of these barriers are amenable to local intervention; in particular, more structural inequalities in society must first be addressed at the national level (for example discrimination facing people such as Travellers, high levels of early school leaving, interface between welfare to work etc). The following is a brief outline of these four policy arenas and the barriers arising within them.

Economic Factors

There are rural and urban areas which have least benefited from recent economic growth and where job losses in manufacturing and in farming and fishing have not been met by job gains elsewhere. These include over eighty ‘blackspots’ where the unemployment rate is three times greater than the national average. As well as experiencing high levels of redundancies, there is a preponderance of lower-paid jobs and their level of infrastructural investment remains poor. Despite the high growth rates over the last decade, there has been little improvement in the relative levels of socio-economic deprivation of most disadvantaged areas compared to the rest of the country. To regenerate these areas we need much more radical job creation policies including balanced regional development, and much greater infrastructural investment. We also need to engage in the anticipatory up-skilling of workers in vulnerable sectors rather than waiting until company closures are announced. The present failure to develop linkages between the work of the IDA and Enterprise Ireland and that of the local agencies which have a particular remit for social inclusion policies must be addressed.

Social Policy Factors

These barriers include high work ‘participation costs’ for childcare, disability and elder care services (particularly for women returnees and those in lower-paid employment generally) and travel to work costs in rural areas. Women who seek part-time work get little savings in their childcare costs as there is often the

⁵ Includes those unemployed, those who would be willing to work if barriers to their participation were addressed; and those in low-skilled, insecure employment with lack of training and poor career prospects.

same charge whether a place is required for a half-day or a full day. There are barriers to employment which arise in the interaction of work with the welfare-benefit system, where an improvement in income can often lead to a withdrawal of secondary benefits, leaving the households little better off than before.

Labour Market Factors

Labour market barriers include; where jobs advertised through ‘word of mouth’ place those out of work at a disadvantage; high minimum entry requirements for jobs; discrimination and prejudice; a lack of employment supports; and a lack of flexible work-life arrangements. Around 13% of our young people leave school early and their unemployment rate is 18%. The figure for early school leaving is much higher in many disadvantaged areas — ranging from 40%-50%.⁶ This is a major failure of our education system given the fact that we are spending €636 million⁷ annually in tackling the problems of educational disadvantage. Women are ‘crowded’ into a narrow range of occupations and along with the costs of childcare and other caring services this limits their potential for advancement. Currently we are ranked 51 out of 56 countries in terms of equality of economic opportunity for women.

Personal Factors

Finally, there are personal factors which act as barriers to people taking up and staying in employment. These include poor literacy / numeracy levels (some 23% of our population lack functional literacy skills); homelessness; family-breakdown; previous prison record; addiction; a lack of previous work history and health and disability issues. Disabled people are two and a half times less likely to have a job than others. Their employment rate has fallen from 40% to 37% over the previous four years.

Those Who Face Most Difficulty in the Labour Market

The marketplace is the main force determining the overall availability of employment opportunities at the local level. However, these opportunities may not be open to all due to a combination of factors which produce different levels of labour market vulnerability. Three main categories of vulnerable people were identified from the findings of the commissioned research work.

The most marginalised are those whose skill and educational difficulties are accompanied by health and disability problems; low self-esteem; and in some instances particularly acute problems such as addiction; prison records and homelessness. They require a wide range of supports to help them into employment (either full-time, part-time or temporary work — whichever is most suitable) and crucially, to ensure that they retain a job. These supports are most often provided by different agencies, highlighting the need for close inter-agency co-operation on a case-by-case basis.

⁶ *Report on Retention Rates of Pupils in second level schools*, Department of Education and Science, 2005.

⁷ *2006 Estimates*, November 2005.

Secondly, there are those people who are ‘displaced’ from the labour market, including those with low-skills and / or poor educational levels (such as early school leavers, some lone parents, or some women returners); those with obsolete skills (including those being made redundant, some women returners and the older unemployed) and immigrants whose qualifications may be unrecognised here. For all these people, supply side interventions, such as training, education and work-experience programmes, continue to be highly important.

Thirdly, there are those workers in insecure employment with few opportunities for training and progression. This is reflected in the increase in those that can be termed the ‘Working Poor’. For some *service providers* they comprise a growing category, particularly now among men (in the past it has mainly affected women). These people are not the focus of any specific policies and often do not sign on between jobs, thus not appearing in unemployment figures.

Changing Nature of the Labour Market

There has been a dramatic growth in employment and reduction in unemployment over the last decade. However, a significant share of the recent jobs growth has been in lower value-added jobs in construction and it is likely that its share of total employment (at 12%) is unsustainable. Much of the remainder of the jobs growth had been in the services sector driven mainly by domestic consumption. Over recent years we have also seen a rise in the level of redundancies, (a record 23,400 last year) with higher value-added jobs in manufacturing being particularly badly hit (the State paid out €138 million in redundancy refunds to companies last year — three times the level paid out in 2002). Overall, while we are continuing to create more jobs, these are lower value-added jobs compared to those we are losing and they are making a smaller contribution to our GDP growth. This has major implications for the potential to increase our future living standards. A number of areas have been particularly affected by these job losses such as Counties Donegal, Mayo, Cavan, Carlow, Waterford, Wexford and Limerick. The negative effect that job losses are having in these areas is being masked by the overall job growth nationally and the policy responses to deal with their problems have not been as strenuous as they ought to be. Long-term unemployment comprises 30% of the total unemployed (compared to 21% in the UK and 18% in Sweden).

The EU have recently highlight the concept ‘labour force reserve’ to identify people of working-age who despite being classified as ‘inactive’ are actually ‘willing to work’ should the opportunity arise. These people consider themselves effectively trapped on the outside of the labour market because of barriers — real and perceived — even though they are willing and able to work. The figure for this ‘labour reserve’ in Ireland can be estimated at 78,500 people (they include those vulnerable people who are the focus of this report). It may be said that a truer number of those unemployed are the 96,700 reported as unemployed in the QNHS Survey and this estimated ‘labour reserve’ figure of 78,700 people, giving an actual underutilised labour force potential of around 175,000 people.

As already mentioned, Ireland was recently ranked 51 out of 56 countries in terms of equality of economic opportunity for women, and labour force participation rates for women aged 35-59 continue to lag well behind those of the best performing EU countries. There are barriers to reconciling work and family life particularly the cost and availability of childcare, disability care and elder care provision, a role that is still primarily undertaken by women. The NESF has recently completed two reports *Early Childhood Care and Education* and *Care for Older People*, which offer recommendations to improve the provision of services in these areas and if implemented will also greatly enhance economic opportunities for women.

Ireland has a high proportion of low-skilled workers compared to other best performing countries and our level of lifelong learning remains low even though we ought to be investing in a higher-skilled workforce to compete successfully and to maintain jobs. Over the next decade it is predicted that our domestic labour supply growth will decline from 3.5 % to 0.5 % per annum and that the number of those aged 15-24 years will fall by 13 % (by contrast those aged 45-64 years will increase by 50%). This highlights the need for a major enhancement of the recruitment, training and retention policies of firms (discussed further in Section VII).

In recent years, we have been transformed from being a country of emigration to one of immigration. Along with the fact that workers from other EU countries have a right to work here, other factors, such as the existence of migrant networks and recruitment agencies play a powerful role in determining the magnitudes of migration flows. The latter can operate fairly independently of economic conditions, which suggest that migration flows here will continue even were economic growth to decline. The level of inward migration should not be perceived as an indication that those unemployed are “not looking for work” — or that those coming here “are taking our jobs”. We must, however, address those barriers that continue to generate labour market vulnerability (outlined in Section V) or else we are likely to experience a growth in the level of precarious (low-paid, and insecure with little training) employment among the substantial numbers of low-skilled workers now at work.

We also need to agree on a fair immigration system that will both help to meet our future skills needs (taking into account the predicted fall in our domestic labour supply) and at the same ensure that longer-term support measures (housing, health, education, community infrastructure etc) are put in place now to help migrant workers and their families integrate into the community. These are the costs resulting from an increased demand for public services arising from in-ward migration which are not borne by employers but directly by the Government. This increased investment in public services must be factored into Government spending plans to avoid any risk of polarised communities in the future leading onto social friction as evidenced in recent events in other European countries.

A Coherent National Strategic Framework

Labour market vulnerability can only be addressed by dealing comprehensively with all barriers which limit people's opportunity of getting into and staying at work. Social and economic barriers must first be addressed at the national level, especially those to do with inequality and discrimination. A more holistic approach is now needed to support the re-integration of vulnerable people into employment (full-time, part-time, temporary work — whichever is the most realistic option) and to tackle unemployment blackspots where unemployment is three times greater than the national average.

The current range of labour market and social inclusion measures (at least thirty-eight) involve some eight government departments and thirteen different agencies as well as a range of non-statutory bodies. This is leading to problems of co-ordination, duplication in services and gaps in service provision. Much clearer links between all these measures are required so as to provide a more coherent service to clients at the local level.

A *National Strategic Framework* is required to ensure the coherence and integration of the €1,000 million per annum currently being spent on labour market and social inclusion policies aimed at tackling the problems of labour market vulnerability. It should encompass the new EU integrated economic and employment guidelines. The Framework should aim to facilitate improved inter-agency work at the local level and ensure the mainstreaming of best practice at the local level into the development of national policies.

Helping People Towards Work

Adaptive Local Partnership-based Strategies

Partnership-based local and regional employment strategies, with the active involvement of employers and industrial development agencies can best mobilise the range of supports which people need to help them into employment. Effective local labour market strategies must be capable of meeting the full range of difficulties experienced by individuals. The underlying principle of the design and delivery of services at the local level should be a needs-based approach where a full 'menu' of supports is available to meet people's needs.

This will require a high level of inter-agency (and intra-agency) co-operation among those bodies, statutory and non-statutory, to ensure that there are no duplications or gaps in programme provision. This approach does not necessarily require the development of new programmes *per se* but rather the development of joined-up provision at the local level. This will require explicit mandates from Departments to *service providers* on what is expected and increased budgets to those agencies who can demonstrate effective engagement in service integration work. Local bodies also need to be given greater flexibility in the use of their budgets and in the design and provision of their services to better respond to local needs.

Labour Market and Social Inclusion Measures and Structures

There is need for a radical reform of the €1,000 million per annum being spent on the range of training, education and employment measures currently in place. It needs to be spent in a way that better reflects current labour market conditions rather than those of the early 1990s. Eligibility criteria for active labour market programmes vary considerably and are not always framed in terms of a person's employability problem(s). Programmes also need to be better designed to meet the future skill needs of business so that people have an improved chance of getting a job. The Leaving Cert Applied has moved away from its original vision of developing the wide range of abilities that young people have, towards more of a focus on academic abilities.

The number of bodies and agencies involved in labour market and social inclusion service provision at the local level now comprise a 'crowded organisational landscape'. There is a need to rationalise their work and more closely align the many programmes that exist. Social inclusion and active labour market measures do not presently form the cohesive approach necessary to best help vulnerable people into work. County and City Development Boards (CDBs) have not, thus far, led to greater co-ordination and integration in the delivery of social inclusion measures at the local level.

Helping People into Work

Appraisal of 'Make-Work Pay' Policies

A main concern for vulnerable people is the interaction between work and the means-tested benefit system. Moving into work can result in the partial or complete withdrawal of secondary benefits, discretionary payments etc. It may also entail high work-related costs for childcare, disability care, elder care, transport etc.

Taxation at lower income levels does not appear to be the problem it once was. The likelihood of any possible 'inactivity trap' measured by 'Replacement Rates'⁸ also remains low.

The main problem is that 'poverty traps' are being created by the too rapid withdrawal of a person's secondary benefits on taking up work. This has been exacerbated by the growing complexity of the means-tested benefits system and lack of indexation of household means-tested income disregards before secondary benefits are lost. A major concern is the potential loss of the medical card, especially for families with children.

It should be recognised that the retention of secondary benefits may entail anomalies between those who take up work and retain their benefits and others at work on low incomes who do not have any secondary benefits. Resolving this contradiction would necessitate increasing the household income threshold for the retention of secondary benefits and medical cards.

⁸ These compare the net return from working at various income levels to the income that can be gained by relying on social welfare and certain secondary benefits. A Replacement Rate of more than 80% is seen as a severe work disincentive.

It is also timely for a fundamental re-appraisal of State supports provided for people to encourage them to take up employment. In Ireland, the main in-work payment support to those who take up low-income employment is Family Income Supplement. However, it is estimated that only one-third of those entitled to this payment actually apply for it. A similar in-work benefit in New Zealand has a 92% take-up rate.

The high cost and general shortage of childcare provision and other disability and elder caring needs has been highlighted in many recent reports. These particularly impact on women as they bear most of the responsibility for such caring responsibilities. Much concern⁹ has been raised about the long term sustainability of community-based childcare centres in disadvantaged areas (funded under the Equal Opportunities Childcare Programme). A long-term funding mechanism is needed to ensure the sustainability of these services otherwise, there is a risk that centres may close due to lack of funding. This in turn will impact negatively on the education, training and employment opportunities of vulnerable women in these areas and their families.

In terms of relieving poverty and increasing the employment prospects of those most vulnerable in the labour market, it may be concluded, that a balanced approach which combines making-work pay policies (that minimise financial barriers to taking up work) with a broader set of interventions to build up their human capital and earning potential, is the most effective strategy to pursue.

National Employment Service

There needs to be more equal access to service provision for people who have difficulty getting work but are not on the Live Register. At present those on the Live Register for six months or more have priority of access. However, this limits the opportunities of others who want to work. This change would be of particular benefit for women who are engaged in more atypical forms of employment (such as part-time, temporary, intermittent etc). A client profiling approach could help to identify those clients most in need of early intervention, their specific problems, and the types of services most appropriate for them. Employment Service staff should act more like a 'job broker' having discretion to identify and procure the appropriate 'menu' of supports and intervention needed.

After people are assessed, a 'Personalised Action Plan' would be developed, detailing the supports they will receive (from all *service providers*) and their own obligations and incentives in availing of them. Helping such vulnerable people to progress will be more difficult and for some it may not be a realistic option. The skills of Employment Service staff will also need to be enhanced to undertake this role.

Other people, such as short-term unemployed, people who may want to return to work (i.e. women returners or carers), and those who may want to change jobs (i.e. in the case of impending redundancies or insecure employment etc) should be able to avail immediately of an enhanced universal basic range of employment services supports such as job search, training, counselling etc.

To fully measure the effectiveness of the performance of the National Employment Service, in terms of helping people back into work, there needs to be a more enhanced range of performance indicators to complement the main current focus on placement outcomes. Other main measurements of the Service are needed in terms of the following:

- How well the employability needs of people the service engages with are being met.
- The sustainability of the jobs that people are placed in by the Service.
- The level of inter-agency co-operation undertaken to support clients into work.

Keeping People at Work

Workplace Strategies

There is much scope for the implementation of strategies to promote the access and retention of people at work. Integrated equal opportunity and diversity strategies can help to mobilise the potential of under-represented groups in the labour force as well as improve a firm's competitiveness. Currently only 13 % of companies have formal diversity management policies and 15 % of companies have a formal equal opportunity policy.

Work-life balance practices can benefit both the individual worker and the business. They support the retention of essential skills and the development of a productive workforce. They help workers to better reconcile their work and family life and allow parents to rebalance care responsibilities as they choose. They are of particular relevance for women because of their level of caring responsibilities. However, there is a continuing reluctance among some service sector firms in growth areas of employment to introduce more flexible work-life balance practices.

Retention policies at work can have a big part to play in helping people who experience health and medical problems, have family / care responsibilities or through age cannot carry out the same kind of work, to remain at work and continue to make a valuable contribution.

Progression of Low-Skilled Workers

Current efforts to promote lifelong learning here are not working sufficiently well and we are well behind best performing countries on this measure (such as Sweden, United Kingdom, Denmark and Finland). There should be a broadening of the skill levels of all workers, in particular those with low levels of qualifications (given the relatively high proportion of low-skilled workers here compared to other high performing countries). This can only be achieved by an expansion of part-time, flexible opportunities by training and education providers for both

those at work and those seeking work, with a focus on courses leading to qualifications between Level 1 to Level 6 of the National Framework of Qualifications¹⁰. The quality of training provision and outcomes needs to be sufficiently high to attract participation and match the skills needed by business.

The level of education received prior to entering the labour market has a large bearing on the amount of education and training received when in employment. Only 1% of workers with no qualifications participate in formal education in a yearly period, compared to 5% of those with lower secondary education and almost 10% of those workers with third-level qualifications. There is a similar pattern in respect of both non-formal and informal education and training. Full-time and permanent workers receive more training than part-time and temporary contract workers.

A key priority should be to assist people who for different reasons have periods of time in and out of the workplace (sometimes voluntary, for caring or family reasons — other times involuntary, in the case of redundancies), or who are in part-time, temporary work etc, to acquire new knowledge and skills throughout their careers. This is of particular relevance for women, a higher proportion of whom are more engaged in these types of employment.

In order to both sustain and increase quality employment opportunities we need to look at the coherence of all investment in improving the employability of people — including workplace training and lifelong learning. There is currently no agreed national consensus on a formula for the sharing of the costs of workplace training. This is a main challenge for Government, employers and unions. There is a strong case for greater spending on the training of low-skilled workers.

A particular concern is the emergence of a significant number of young low-skilled workers, given the link that exists between low-skill jobs and unemployment. Only about 12% of these young people receive training each year. There are now 34,500 young people who left school early working in jobs with limited prospects and training. *Personal Development Plans* have been identified as critical to career planning and lifelong learning. Mentoring is also another important complementary mechanism to support the development of young low-skilled workers.

A main means of boosting the level of formal learning of those at work would be to introduce free fees for those taking occupationally relevant part-time courses, for the first time, at each level in further and higher education. This proposal would fit into the idea of the 'one-step-up' approach of helping workers acquire a higher qualification. It would also have an equitable dimension as it would benefit those with lower levels of educational attainment most.

¹⁰ The National Framework of Qualifications is essentially a 10-level structure of awards which encompass the widest possible spread of learning. Level 1 Certificate awards recognise the ability to perform basic tasks. Level 10 Doctorate awards recognise the ability to discover and develop new knowledge and skills at the frontier of research and scholarship.

Personalisation of Services

To help vulnerable people access employment and progress in their jobs, all service providers, both statutory and non-statutory, need to be more fully geared towards meeting their needs. The main elements of this personalised approach are;

- *Making it easier for people to access the services they need*
Service providers need to work together in a partnership network and form 'gateways' to the full range of supports that people require. They should have the flexibility at local level to design and deliver services to meet individual needs.
- *Giving people more choice over the options to meet their needs*
People should have a greater choice about the specific package of supports that would best help them. This 'menu' of services would include guidance and counselling; education and training; advocacy, mentoring; work experience; in-work supports and in-work training.
- *Giving people a more direct say on how services for them are shaped*
Service providers should establish regular formats to listen to their client's views and use this information to help improve the design of their services and supports. People should be provided with clear information about service performance to help them judge the value of available supports and services.
- *Provide a continuum of support for people between unemployment and work.*
Given the complex nature of the interface between unemployment and work, the role of the National Employment Service should be to act as an 'intermediary body', which would mediate appropriate supports (from different agencies) for people. Each person would have a 'personalised action plan' developed which would detail the support to be provided to them by all *service providers* as well as their own obligations in availing of these services.

Box 1 Overview of the Main Recommendations of the Report

Creating a More Inclusive Labour Market

National Strategic Framework

To achieve a more equal and opportunity driven labour market by:

- Addressing structural inequalities and discrimination
- Ensuring coherence of over €1,000m economic, employment and social inclusion policies
- Streamlining existing delivery structures and aligning policy measures
- Facilitating improved inter-agency work at local level
- Ensuring the mainstreaming of good practice at local level into national policies
- Directing infrastructural investment at those areas badly hit by job losses

Helping People towards Work



Helping People into Work



Keeping People at Work

Streamline Agencies & Measures

- Align Measures and Services
- Streamline Structures
- Reform of ALM Programmes
- Greater access to Services for Vulnerable People

Local Partnership Network

- Provide full 'menu' of supports to help people
- Avoid gaps and duplication
- Greater flexibility in services and use of budgets
- Introduce 'Service Delivery Agreements'

Make-Work Pay Policies

- Minimise Welfare to Work disincentives
- Improve 'In – Work' Benefit
- Provide a portable 'Cost of Participation' Payment
- Support for Childcare & Care services in disadvantaged areas.

National Employment Service

- Provide 'Intermediary' Service
- 'Follow-Up' clients into work
- More Equal Access to Service Provision

Workplace Strategies

- Equality & Diversity Strategies
- Increase Work-Life Practices
- Retention policies for people with disabilities & older people
- Agree Funding Model for sharing of costs for training

Training Low-Skilled Workers

- Lifelong Learning to reduce number of low-skilled workers
- Introduce Mentoring/personal development plans
- Focus training on 34,500 young early school leavers at work
- Free fees for Part-Time students

Personalisation of Services

- Making it easier for people to get access to the services they need
- Giving people more choice over the options to meet their needs
- Giving people a more direct say on how services for them are shaped
- Providing a continuum of support for people between unemployment and work

Recommendations

An overview of the main recommendations of the report is given in Box 1 on the previous page. The underlying detailed recommendations are as follows (numbers refer to the corresponding paragraph numbers in the report).

National Strategic Framework

- 4.14 ● A National Strategic Framework should be developed to provide better opportunities for vulnerable people to get into and stay at work. Its main aim would be to improve the coherence and effectiveness of the €1,000 million economic, employment and social inclusion measures currently in place. It would establish clearer links at the national level between the National Employment Action Plan and the National Plan against Poverty and Social Inclusion (and all social inclusion measures contained within the National Development Plan). The Framework should encompass the new set of integrated economic and employment guidelines within our *National Reform Programme*¹¹. Its operation should be reviewed on an annual basis. The main focus of the Framework would be on:
- addressing structural inequalities and discrimination that exist;
 - encouraging a more personalised approach to the delivery of services;
 - streamlining existing delivery structures and better aligning policy measures;
 - encouraging and rewarding improved inter-agency work at the local level and supporting research into how inter-agency work can best be undertaken;
 - ensuring the availability of a full ‘menu’ of supports at local level to meet people’s needs;
 - supporting the mainstreaming of good practice into the design of national policies; and
 - addressing infrastructural deficits particularly in those areas badly hit by job losses.
- This proposed National Strategic Framework should be included in the negotiations for the new Social Partnership agreement. A consultation process should be engaged in with the Social Partners and those who are not represented in the social partnership process to inform the design and implementation of the Framework. The Department of the Taoiseach should chair this process. An inter-departmental group should be established to oversee the Framework’s development and implementation and ensure coherence across Departments in the development and implementation of policies.

¹¹ The first *National Reform Programme Ireland* was published in October 2005 and will be adapted as necessary to reflect new policies or measures agreed upon.

- 4.24** ● A systematic evaluation process should be put in place to measure the overall impact of economic, employment and social inclusion policies aimed at tackling labour market vulnerability and in identifying innovative activity which could be mainstreamed. A Unit should be established in each Government Department to identify and mainstream learning from innovative activity at the local level into national programmes and services.

Personalisation of Services

- 5.25** ● All service providers should develop a more people-centred approach to service delivery. The main elements of this more personalised approach should be;
- making it easier for people to access the services and support they need;
 - giving people more choice over the specific package of supports to meet their needs;
 - giving people a more direct say on how services for them are shaped; and
 - providing a continuum of support for people between unemployment and work.
- 5.26** ● A personalised approach to the delivery of services should be included in the Customer Charters and Business Plans of those agencies and bodies (statutory and non-statutory) who have a role in helping people into work. These should be drawn up in terms of specific standards to measure any improvements in the quality of service delivery. (This should be progressed by the Department of Social and Family Affairs, Department of Education and Science, Partnership Companies, Health Boards, Local Authorities, FÁS etc).

Meeting the Changing Nature of the Labour Market

- 2.33** ● A fair immigration system should be introduced which would both help to meet Ireland's future skills needs and at the same time ensure that longer-term support measures (such as training, education, housing and healthcare) are put in place to help migrant workers and their families integrate into the community. At the same time those barriers causing labour market vulnerability must be addressed, otherwise low-qualified people here will face increasing competition for available jobs in the future. This could lead to a growth in the numbers of dissatisfied low-skilled workers and the creation of polarised communities in the future.

Helping People Towards Work

Local Partnership Network

The following recommendations are made within the overall context of the proposed National Strategic Framework (which would provide national support for their implementation):

- 4.18 ● Local service providers (statutory and non-statutory) should form strategic links at the local level to provide the full ‘menu’ of supports (information, guidance, counselling, education, training, mentoring, health, housing, work experience, in-work support) to help people into work and stay at work.
- 4.19 ● These links should be formalised through *Service Delivery Agreements* which would encompass issues such as the carrying out of local labour market research; the provision of one-stop-services; identification and addressing any gaps or duplication in service provision; and the monitoring of agreed outcomes. These Agreements would be brief (30-40 pages), reviewed on an annual basis and be drawn up on a county basis and for major cities (in Dublin there would be a number focusing on main areas of disadvantage). This approach should be piloted in four regions (urban and rural) in 2006 by a lead group comprising the Department of Social and Family Affairs, FÁS, VEC’s, County and City Development Boards, and Partnership Companies with a view to its full implementation in 2007.
- 4.20 ● This form of inter-agency working should be supported by all Departments who have a role to play in this area by:
 - making support for inter-agency work explicit in mandates for service providers and rewarding inter-agency co-operation through increased budgets;
 - including inter-agency work in the job description of staff at national and local level and providing training and support for staff on how it can best be undertaken;
 - giving local service providers greater flexibility in the services they provide; and
 - mainstreaming learning from relevant pilot initiatives.

Reform of Labour Market and Social Inclusion Measures and Structures

- 3.39** ● County and City Development Boards should concentrate on 10–15 key labour market and social inclusion actions, within their three year plans, with the focus on inter-agency work with other bodies to bring about major improvements in outcomes for vulnerable people seeking work. There should be measurable outcomes to this work.
- 3.24** ● Local structures set up to support people into / stay at work should be streamlined and there should be a better alignment of active labour market and related social inclusion measures. This should be agreed within the proposed National Strategic Framework.
- 3.9** ● The Department of Enterprise, Trade and Employment and the Department of Finance should examine how essential services supported under Community Employment (CE) could be funded on a more sustained basis other than through CE funding. This would result in a smaller revitalised programme where the main criteria for the renewal of a project's contract would be determined by its success in improving the employability of participants.
- 3.11** ● The Department of Enterprise, Trade and Employment and FÁS should carry out a review of the €60 million per annum directed at measures for disabled people as to why so many are on specialist training provision, rather than in mainline training provision; why the main employment support for disabled people is not open to those seeking part-time work; and why the uptake by employers of available grants to support reintegration is so low.
- 7.51** ● A particular priority for the Department of Education and Science in 2006 should be the serious on-going problem of early school leaving and the need for a more coherent range of policies within disadvantaged areas to tackle this problem. The envisaged role of the Educational Welfare Board in this area should be implemented¹².
- 3.17** ● FÁS and the Department of Education and Science should ensure that the eligibility criteria for their programmes are framed in terms of a person's employability problems, rather than mainly on age and / or duration of unemployment as at present. The starting and finishing times as well as the location of courses should better accommodate people's needs. There should be a particular focus on enabling more women, who wish to return to paid work after a long period out of the workforce, to participate.
- 7.55** ● The Department of Education and Science should restore the original vision of the Leaving Cert Applied, with its focus on the strengths of students other than academic achievements.

¹² More detailed recommendations are already given in, *Early School Leavers*, NESF Report No.24, 2002.

- 6.37 ● Anticipatory training should be provided for people working in vulnerable sectors in those regions experiencing high levels of redundancies. This work should be undertaken by FÁS in co-operation with the IDA and Enterprise Ireland.

Helping People into Work

Make-Work Pay Policies

- 5.30 ● There should be a reform of State supports to ensure the minimisation of welfare to work disincentives and to simplify entitlements (taking into account current and recent reviews and evaluations). This should include an automatic payout of Family Income Supplement (FIS) for those with children taking up low-paid work based on their social welfare and revenue administrative records. The design of FIS itself should be examined to see whether it could be improved (taking into account the trends towards reduced family size, more forms of atypical work etc). This work should be undertaken by the Department of Social and Family Affairs, Department of Finance and the Revenue Commissioners.
- 5.14 ● An individual should retain all their existing secondary benefits¹³ (for an agreed period of time, say, five years) when they take up training, education or work. This work should be undertaken by the Department of Social and Family Affairs.
- 5.15 ● A user-friendly, index-linked, 'cost of participation payment' should be introduced, whereby people would retain (for an agreed cumulative period of time, say five years), the consolidated value of all their existing monetary secondary benefits on entering either training, education or work¹⁴. This would both minimise a main financial barrier to progression and greatly simplify payment and administration arrangements. It should be designed by the Department of Social and Family Affairs acting with other relevant Departments, taking into account the existing array of evaluations and reviews. This 'cost of participation payment' should be piloted in 2006 in four areas (urban and rural) and evaluated with a view to it being mainstreamed.
- 5.16 ● The household income threshold for the retention of secondary benefits should be index-linked to the annual increase in the level of average earnings.

¹³ DSFA list the most important ones as the National Fuel Scheme, Smokeless Fuel Allowance and Christmas Bonus Payments paid by DSFA; Rent, Mortgage Interest Supplements and Back to School Clothing and Footwear Allowance paid by the Community Welfare Division; and the Differential Rent Scheme administered by Local Authorities. There are also 'extra payments' for those on Disability Allowance who receive Free Travel, Electricity / Gas Allowance and Telephone Allowance all paid by DSFA which should be included.

¹⁴ NESF in their report, *The Developmental Welfare State*, No. 113, 2005, have put forward a longer-term goal for having more variable personally tailored support packages to help people realise their potential. This would be accompanied by the eventual merging into the one programme of the several contingency-based, social assistance payments which currently provide welfare transfers to people of working-age.

- 5.11 ● The Department of Social and Family Affairs and FÁS (with the support of Comhairle, Money Advice and Budgeting Service and local representatives of the range of marginalised groups) should provide a ‘one-stop information service’ for those seeking employment or taking up training, education or employment programmes. This should provide clear information on all the benefits and supports people should expect to retain when taking up employment or participating in programmes.
- 5.9 ● The Department of Health and Children should allow a person to retain their medical card for a five year (cumulative) period after returning to work.
- 5.7 ● A long-term funding model should be agreed to sustain the 800 community-based childcare services, in disadvantaged areas, which are funded under the Equal Opportunities Childcare Programme. This is vital in terms of improving the education, training and employment opportunities of those women who are highly dependent on the on-going availability of the services (Department of Justice, Equality & Law Reform, and Department of Enterprise, Trade and Employment).
- 5.34 ● The Department of Social and Family Affairs should undertake a research programme to provide evidence on measures most effective in helping to support people from welfare into work, including an analysis of the flow of people into and out of unemployment and the take-up rates of in-work benefit. This work should be published on an annual basis.

National Employment Service

The following recommendations should be implemented by the middle of 2007.

- 6.39 ● The National Employment Service should ensure equality of access to service provision for those who have difficulty getting work (whether full-time, part-time temporary etc — whichever is the most realistic option), whether on the Live Register or not.
- 6.41 ● A Client Profiling System should be developed (based upon the experience of recent Irish and international profiling exercises) and introduced by the National Employment Service to identify those clients who would benefit most from early intervention and the appropriate services and supports that would best help them into work.
- 6.35 ● The National Employment Service should act as an ‘intermediary body’ on behalf of low-qualified clients to mediate appropriate supports for them from different agencies. Each client should have a Personalised Action Plan detailing the support to be provided to them by all service providers (including the National Employment Service) as well as their own obligations and incentives in availing of these services.

- 6.30** ● The National Employment Service should follow-up on low-skilled clients placed in employment for a six-month period to provide them or their employer with any additional supports that could help sustain them in their jobs.
- 6.32** ● Three new performance indicators should be introduced (to complement the current focus on placement) to measure the effectiveness of the National Employment Service (FÁS and LES). These indicators should measure:
- (i) How well the employability needs of people are being met.
 - (ii) The sustainability of the jobs which people are placed into.
 - (iii) Inter-agency co-operation required to support the up-skilling and personal development needs of clients.
- 6.33** ● An independent Evaluation Unit should be established to carry out an outside assessment of the performance of the Service. This Unit could be located either within the NDP Community Support Framework Evaluation Unit or the Department of Enterprise, Trade and Employment.

Keeping People at Work

Work-Place Strategies

- 5.41** ● The business case for employers implementing integrated equal opportunity / diversity strategies; work-life balance practices (taking account of childcare, disability and elder care needs) and retention policies (particularly for older workers and those who acquire a disability) should be examined and developed in a coherent way. It could be promoted through an award. Employees and employers should be informed about the incentives available for implementing these workplace strategies. This work should be undertaken by Employers and Trade Unions in co-operation with FÁS, the Equality Authority and the National Disability Authority.

Training of Low-Skilled Workers

- 7.38** ● A formula for the sharing of workplace training costs for the up-skilling of low-skilled workers between the State, Employers and Trade Unions should be developed by mid-2006. This is one of the biggest challenges to be faced and initial discussions should commence around those common points of agreement within the recent IBEC and ICTU proposals in these areas.

- 7.53** ● The initial focus of additional State support for worker training should include those young people (under 25 years of age) who left school early and are now at work. The Department of Enterprise, Trade and Employment should fund four weeks formal off-the-job training for 5,000 of these young people each year over a five-year period (commencing in 2007) at an indicative annual cost of €20 million¹⁵. A main means of facilitating this training should be that the young worker would receive up to €2,000 into their own Individual Learning Account (administered by the Department), for occupational training linked to a personal development plan and accredited under the National Framework of Qualifications¹⁶. Other funding instruments such as training vouchers and grants should also be considered.
- 7.39** ● Training and education providers (FÁS, VEC's, Colleges etc) should offer more flexible provision, accredited within the National Framework of Qualifications, at times and locations to suit both employees and employers. There should be a particular focus on those in part-time, temporary and other atypical forms of work (who receive on average less training than those in full-time employment). This is of particular relevance for women, a higher proportion of whom are engaged in these types of employment.
- 7.48** ● Personal Development Plans and Mentoring should be provided for all low-skilled workers to help develop their occupational skills. The National Employment Service should undertake this mentoring role for those who take up work for up to a six-month period (supporting the client in adapting in the workplace and working through any issues which arise). Those already at work could be supported by different approaches, including trade union and / or employer learning representatives within the business or through a network of firms.
- 7.20** ● There should be a system of free fees for part-time students engaged, for the first time, in taking occupationally relevant courses at each level in further and higher education (i.e. at certificate, diploma and primary degree award levels) recognised within the National Framework of Qualifications¹⁷ (Department of Education and Science).

¹⁵ The estimated cost per employee would be €4,000, consisting of a €1,300 payment (in lieu of wages) for training undertaken during the working week and €2,700 to cover education / training / support costs.

¹⁶ The young person would be able to choose from a list of FÁS / DETE approved training / education providers. There should be consultations between the Department, employers and unions to consider how training could be provided in a flexible way to suit the needs both of the employer and employee.

¹⁷ There are 35,300 part-time students enrolled in higher education courses paying an estimated €45 million in fees each year. Based upon these figures, the indicative total cost of the above proposal would be €30 million per annum.



Introduction and Overview

Aim of the Report

- 1.1 ● The focus in this report is on key policy innovations which will provide greater equality of opportunity for all in the labour market and also support long-term social and economic development. Acknowledging the very significant improvement in the jobs market over the last decade, many vulnerable people, however, still experience great difficulties in getting work and progressing into better quality jobs¹⁸ – either within their workplace or elsewhere.

Terms of Reference

- 1.2 ● The agreed terms of reference for the project were:
1. To make practical proposals aimed at the creation of a more inclusive labour market.
 2. Adopt a problem-solving approach and pay particular attention to identifying potential implementation barriers and challenges and comment and make recommendations on how these may be addressed.
 3. Be forward-looking rather than retrospective, to learn from the considerable amount of review work which has already been undertaken, at both national and local levels, and to build on agreed conclusions arising from this work.
- 1.3 ● In its work the Project Team focused on the following specific themes:
- the best way(s) local labour market and social inclusion measures, acting together, can help those who have the greatest difficulty getting employment;
 - Identifying any financial and any other barriers to participation in the labour market and / or in education, training and other support measures;

¹⁸ The term “better quality jobs” used here refers to both the specific characteristics of the job (e.g. pay, hours of work, skill requirements, job content) and to aspects of the wider work environment (e.g. training, career prospects).

- the development of workplace model(s) that support the progression of low-skilled workers and help to sustain their employment; and
- the development of an improved suite of indicators for the Performance Monitoring System of the National Employment Service to focus its services on more coherent gateway(s) to employment for unemployed, marginalised persons; women returnees and redundant workers.

Project Team Members

- 1.4 ● The Project Team was established by the NESF in October 2004. It was representative of a broad range of interests and organisations. Membership of the Team was as follows:

CHAIR Professor Philip O'Connell, ESRI

Senator Paschal Mooney Fianna Fáil

Senator Feargal Quinn Independent

Senator Joe Mc Hugh Fine Gael

Catherine Maguire IBEC

Manus O' Riordan ICTU

Michael Doody Irish Creamery Milk Suppliers Association

Frances Byrne Anti-Poverty Networks

Brid O'Brien Pavee Point

June Tinsley Irish National Organisation of the Unemployed

Brendan O'Leary Department of Enterprise, Trade & Employment

Paul Tansey Tansey, Webster, Stewart & Company Ltd

Councillor Patricia Mc Carthy Association of Municipal Authorities

Senan Turnbull Fingal County Council

Shira Mehlman FÁS

NESF Secretariat **Gerard Walker**

Consultation and Research Undertaken

- 1.5 ● The main methods used in preparing this report were:
- (i) Following a public call for submissions, the Project Team received over 50 submissions from a wide range of organisations and individuals (these are summarised in Part C).
 - (ii) Interviews with and presentations to the Project Team by organisations and individuals (Annex I lists these).

- (iii) Research was commissioned by the Project Team in two regions — Dublin North City and Co. Donegal / Sligo. Focus groups meetings were held in each region — one for *Service Provider* Groups and the other for *Service Users*. It also comprised a survey of the main provider bodies in each region and follow-up interviews with selected individuals. The main findings of the research are presented in Part B of the report.
- (iv) An extensive analysis of existing research and policy documents on each of the main themes of the project (Annex V).
- (v) The Plenary Session of the NESF in October last provided an opportunity for a wide range of invited interests to comment and input on the report before its finalisation (see Annex IV for the list of attendees).

Outline of the Report

- 1.6 ● The report is structured in three main parts.

Part A of the Report contains the following: Section I provides an overview and the rationale for undertaking the work. Section II sets out trends in the changing nature of the labour market. Section III provides an overview of current labour market, employment and social inclusion measures. In Section IV we consider best practice models / elements of service delivery. In Section V we examine issues around removing financial and non-financial barriers to work. In Section VI we examine the development of an improved suite of performance indicators for the National Employment Service. In Section VII we look at issues relating to the progression of low-skilled workers.

Part B of the report presents the main findings of the research commissioned by the Project Team which was undertaken by WRC Social and Economic Consultants.

Part C of the report contains a summary of the submissions received.

Acknowledgements

- 1.7 ● The Project Team would like to thank everyone who contributed to the report. It is very grateful to those who made written submissions and to those who took time to meet the Project Team. Many thanks are due to everyone who participated in the Focus Group meetings held in Dublin and Donegal; those who contributed in the commissioned research work and all those who attended the Plenary Session held in the Royal Hospital, Dublin. In particular the Team would like to record its fullest appreciation for Professor Philip O’Connell who chaired the meetings and ensured that all voices were heard as well as to the NESF Secretariat.

Finally, the Project Team is grateful for all the assistance it received from the main Departments and agencies charged with developing policy in this area.

Main Themes of the Report

Best Practice Models of Local Governance

- 1.8 ● The report highlights innovative examples of ‘best practice’ model(s) and / or elements of local governance, that help to shape up labour market and social inclusion measures by;
- mobilising and involving all relevant social partners, statutory agencies and civic society;
 - encouraging innovative experimental approaches;
 - helping to transfer learning experiences from the local level to improve the content and delivery of nationally-designed programmes and measures;
 - developing more effective solutions for the reintegration of unemployed; redundant workers, women returners and other marginalised persons; and
 - involving marginalised groups in the process of policy development and implementation.

Barriers to Participation in the Labour Market

- 1.9 ● There are financial and non-financial barriers which act as obstacles to people taking up training, education and employment opportunities. A range of measures can help to address these such as:
- social inclusion measures such as child care, health care, job search assistance etc;
 - making work pay through the removal of financial barriers to taking up employment;
 - provision of individually tailored career guidance, training and education supports;
 - innovations to promote lifelong learning and active participation in the workplace especially those aimed at young low-skilled workers; and
 - positive action measures that promote inclusion and diversity in the labour force.

New Performance Indicators for the National Employment Service

- 1.10 ● The National Employment Service (which comprises two strands — the FÁS Employment Services and the Local Employment Service) has a central role in providing a ‘gateway’ to employment for unemployed clients seeking work. The measurement of its performance is crucial in terms of determining how effectively it provides these services. The report considers how an improved suite of performance indicators for the Service could:

- provide a systematic assessment of how individual client needs are being met;
- ensure an equality dimension in the design and delivery of services;
- measure the outcomes for individuals in terms of the appropriate supports being provided and the sustainability of the employment they take up;
- ‘follow-up’ with lower-skilled clients for a specified period of time after they take up work to identify any supports which will help them stay in their job; and
- provide feedback on improvements that could be made in services provision.

Workplace Models to Support Young Low-Skilled Workers

- 1.11 ● The report aims to promote the development of workplace model(s) to support the progression of vulnerable young low-skilled workers who are over represented among those in low quality jobs and are most at risk whenever job prospects worsen. Recent EU findings suggest that policies that focus on improving job quality will also help to create more jobs. Moreover, OECD studies¹⁹ conclude that for less educated workers, training facilitates the attainment and maintenance of the competencies required to raise productivity, thereby helping to sustain their employment prospects.

Vulnerable People who Would Benefit

- 1.12 ● The report seeks better outcomes for several groups of vulnerable people including:

Long-Term Unemployed

Those who are long-term unemployed (over one year) now comprise 30% of the total unemployed. Some 40% of unemployed males (and 27% of unemployed females) aged between 35-54 years are now long-term unemployed.

Redundant Workers and Those Vulnerable to Redundancy

The level of notified redundancies has risen from 13,300 in 2000 to 23,400 in 2004. There are rural and urban areas where the scale of job losses and lack of alternative employment is having a significant impact. Redundant workers in areas with few alternative sources of employment and/or who lack marketable skills require access to a range of employability supports linked, where possible, to future employment / self-employment opportunities in their locality.

Young Low-Skilled Workers

It is estimated²⁰ that only 12% of young low-skilled workers here receive training in any one year. This significantly reduces their chance of moving into more stable, better paid employment (OECD studies²¹ indicate that for less educated workers, training raises productivity in line with market wages, thereby helping to sustain their employment).

Women Returners

Labour force participation rates for Irish women aged 35–59 years continue to lag well behind the rest of the EU (between 10%–15% lower). There are barriers to reconciling work and family life, in particular the affordability and availability of childcare, disability and elder care services. Also the lack of work-life balance practices in firms, are of particular relevance for women because of their greater level of caring responsibilities. Another issue is that female employment is concentrated in a relatively narrow range of occupational categories where women already comprise a high proportion of those at work. At present those on the Live Register have, through the National Employment Action Plan, priority of access to service provision. This limits the opportunities of others who want to work, particularly women who are engaged in more atypical forms of employment (such as part-time, temporary, etc).

Other Marginalised People

These groups include people with disabilities, people with mental health problems, lone parents, older workers, Travellers, Carers, ex-prisoners, migrant workers, asylum seekers and refugees, small farm holders, and people with drug and alcohol dependencies. Many of these experience multiple barriers in trying to access and progress in a job. *“In practice people often experience multiple deprivations and cannot be that easily compartmentalised into any one single category and indeed over time they move into different categories. This calls for the need to take a holistic approach to look at real ways of improving equality of opportunity for people.”*²² The following is a brief outline of these groups and their experiences:

— People with Disabilities

In total some 45,000 people with a disability were identified as at work in the 2002 Census. There are no main differences in the kinds of jobs held by disabled people compared to those held by other workers. However, they are two and a half times less likely to be in work than non-disabled people. Surprisingly, their employment rate fell from 40% to 37% between the years 2002 to 2004. It is estimated²³ that an additional 13,000 disabled people could take up work if action were taken to address barriers to their employment such as the lack of appropriate public transport

²⁰ Table 51 – *Employment in Europe Report*, European Commission, 2003.

²¹ OECD *Employment Outlook*, OECD 2004.

²² Quote from Ms Patricia Mc Kenna, Vice-President, ICTU, at Equality Authority Symposium, Royal Hospital Kilmmainham, Dublin, 2005.

²³ Disability and Work, National Disability Authority, 2005.

facilities; the inaccessibility of some workplaces; and a lack of pre-employment and in-work supports. 85% of working-age people with a disability have acquired that disability underlining the importance of policies to retain people in work after the onset of disability.

— *People with a Mental Health Disability*²⁴

A National Disability Authority²⁵ study found that only 22% of people with mental health problems were at work. Policy in this area remains weak and more specific provisions are required to help people keep their job if they experience a mental illness and to help those who have been out of work due to mental illness to return to their job²⁶. It has been found that employment is good for a person's mental health and it also enables them to make a valuable contribution to society.

— *Lone Parents*

There are 80,000 people in receipt of the One-Parent Family Payment (about 60% of Lone Parents). A Review undertaken in 2000 estimated that 60% of Lone Parents were working. Major barriers facing their entering employment are the financial cost of childcare for two or more children (even after taking into account the level of earnings disregard); and the lack of choice in childcare provision at the local level. Another barrier cited is the potential loss of rent supplement and secondary benefits, medical card, rent allowance etc²⁷ although under the new Residential Accommodation Scheme (RAS) due to be rolled out from this year, recipients will be able to work without the current implications for their rent support.

— *Travellers*

Discrimination is a key factor underlying the difficulties Travellers experience in accessing the labour market, as well as a lack of supports for self-employment, and the limited training provided for public service frontline staff on issues which Travellers and other vulnerable groups face.

— *Carers*

Half of all Carers are in paid employment — 40% of them in part-time work. Difficulties arise from a lack of flexible and affordable respite care and the limited availability of work-life balance arrangements to allow them to combine caring with paid work. Workplace skills also soon become out of date when people are out of the workplace for some time and/ or if their caring commitments make it difficult for them to update or develop their skills²⁸.

24 A short paper was prepared on this issue by Ms Ursulla Manning, Trinity College Dublin, while on a student placement with the NESF Secretariat.

25 'Disability and Work: The Picture we learn from Official Statistics', NDA, 2004. '

26 'Illness and inclusion – maintaining people with chronic illness and disabilities in employment', R. Wynne, Work Research Centre, Dublin, 2004.

27 Refer to Lone Parents, NESF Report, No 20, 2001.

28 *Towards a Family Care Strategy*, The Carers Association, 2005.

— *Migrant Workers*

Migrant workers can face problems arising from the work permit system, including their over-dependence on employers who hold the work permit. They tend not to be considered for training and progression opportunities because of the short-term nature and insecurity of their employment. A recent study by the ESRI²⁹ highlighted the substantial inflow of non-national immigrants who are currently employed in occupations that do not reflect their skills levels.

— *Asylum Seekers*

The system of ‘direct provision’ combined with the policy of not allowing asylum seekers to carry out paid work, while their claim is being processed and the limited availability of pre-employment courses is contributing to the creation of an enforced dependency on the State.

— *Farmers and Small Holders*

The on-going decline in farming employment highlights the need to combine farming with other forms of off-farm employment such as agribusiness, tourism and traditional rural skills³⁰. This needs to be supported by training, education and self-employment opportunities. Poor infrastructure investment is hampering their development and this requires a more balanced investment and increased job creation activity. Travel to work costs are a particular problem, given the often lengthy distance to jobs, and the lack of public transport facilities. Women are particularly affected by a lack of accessible and affordable childcare, eldercare and disability care services. The closure of a major company has a much greater impact on the local economy within rural areas given a lack of suitable alternative employment opportunities.

— *Older Workers*³¹

The number of people in the 45–64 year age group is projected to increase by 56% over the period 2001–2021. The main challenges to support their retention at work will be to change the attitudes and expectations of employers; raise awareness of the benefits and need for training; and increase the number of companies providing flexible working and other work-life balance supports. It is more difficult for older workers to move back into employment after being out of work for over one year i.e. those aged 55–64 are only half as likely to return to work compared to those aged 35–54.

29 “The Labour Market Characteristics and Labour Market impact of Immigrants in Ireland”, ESRI Working Paper, Alan Barrett, Adele Bergin, David Duffy, 2005.

30 *Rural Ireland, 2025 Foresight Perspectives*, NUI Maynooth and Teagasc, November 2005.

31 For a more detailed analysis refer to *Labour Market Issues for Older Workers*, NESF Report No.26, 2003.

— *Ex-Prisoners*³²

Ex-prisoners face a number of obstacles in accessing and maintaining employment. These include low self-esteem, lack of educational qualifications and training, insecure housing, lack of recent job experience, difficulty in setting up a bank account and discrimination in trying to get a job.

— *People with Drug and Alcohol Dependencies*

People with either a drug or alcohol dependency face a number of employment barriers including poor education levels, low skills, inconsistent job histories and criminal records. There is also a lack of appropriate employment support mechanisms to assist their progression

³² For a more detailed analysis refer to *Re-integration of Prisoners*, NESF Report Nos 22, 2002.



Introduction

- 2.1 ● This Section provides an overview of the changing nature of the labour market here in recent years. It looks at trends in the labour force and their influence on the skill profile of those at work; future trends in labour force growth; where job gains and losses have occurred and sectoral and occupational trends in employment. It reviews trends and specific issues related to women's participation in the labour market. Finally the Section looks at the growth in the level of inward migration into Ireland.

Changing Nature of the Labour Market

- 2.2 ● Over the last decade there has been a dramatic increase in employment (see Figure 1 overleaf) and we have moved from a position of high unemployment and emigration in the 1980s and early 1990s to one of low unemployment and inward migration. This sustained period of economic growth has generated many job opportunities for people seeking to join the workforce.

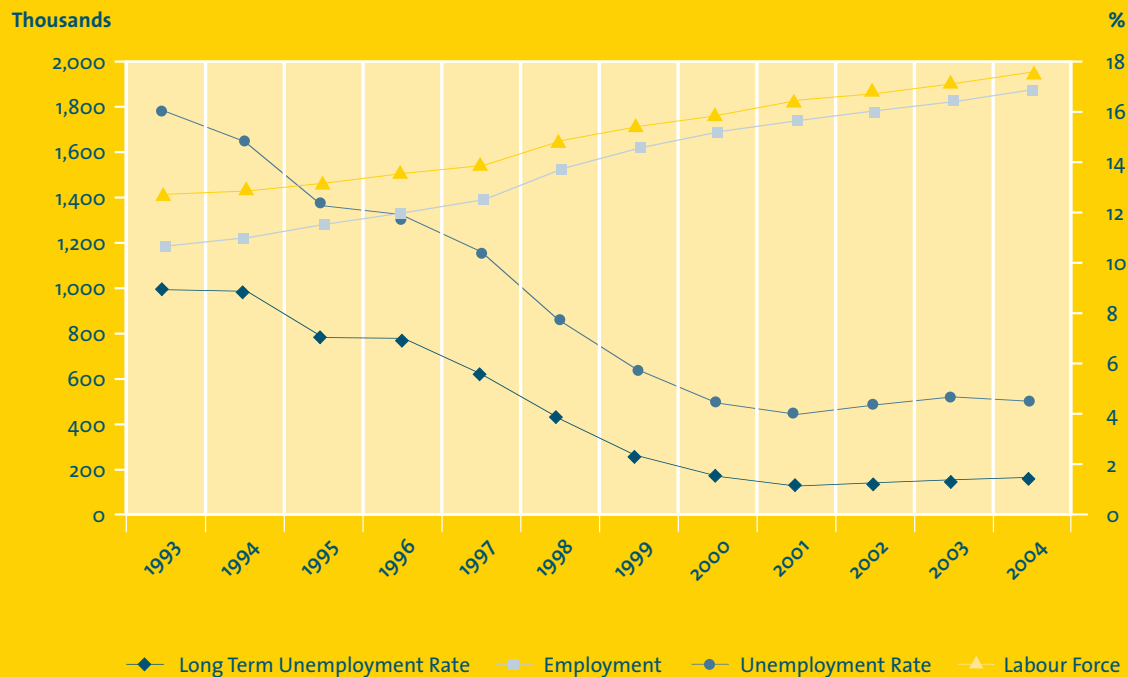
Medium-term economic forecasts for Ireland³³ remain generally positive. However, there are now real concerns around our loss of manufacturing competitiveness; rising energy costs; a likely slow-down in housing investment; and our high level of personal debt. Another major concern, are the trends in Foreign Direct Investment³⁴ into Ireland which fell from €21.5 billion in 2003 to €11.6 billion in 2004. A potential constraint on future economic growth over the next ten years is that domestic labour supply growth is predicted to decline from 3.5 % to 0.5 % per annum, due to smaller increases in the rate of natural increase of the labour force and in female participation, but compensated somewhat by net inward migration (see Figure 2 overleaf)³⁵.

³³ *Annual Economic Review and Outlook*, Department of Finance, August 2005 and recent IMF and OECD reports.

³⁴ *Trends and recent developments in Foreign Direct Investment*, OECD, 2005.

³⁵ *Building the Economy: Medium Term Prospects*, John Fitz Gerald, ESRI, 2003.

Figure 1 Ireland: Changes in Labour Force 1993 – 2004



Source: CSO Labour Force Surveys.

2.3 ● Over this period, the CSO predict³⁶ (see Figure 3 below), that the number of those aged 15–24 will fall by 13%, leading to a substantial reduction in numbers entering the labour force (by contrast, those aged 45–64 years are expected to increase by nearly 25%). Future labour supply growth will, therefore, become more reliant on: inward migration; measures to increase labour force participation rates; work-life balance and job retention policies; improvements in the skills and employability of low-skilled people; and measures to support the employability of older workers.

2.4 ● Forecasts indicate a more advanced skill profile for those in employment³⁷ and a growing employment gap between high and lower-educated groups³⁸. Sixty-percent of new jobs are expected to require higher education and the remainder upper secondary education. A major effort will therefore be required to raise the competencies of those with low skills and educational qualifications. Many of these are employed in the private services sector where, in a 2003 assessment of productivity, Ireland was ranked second last out of ten countries surveyed³⁹.

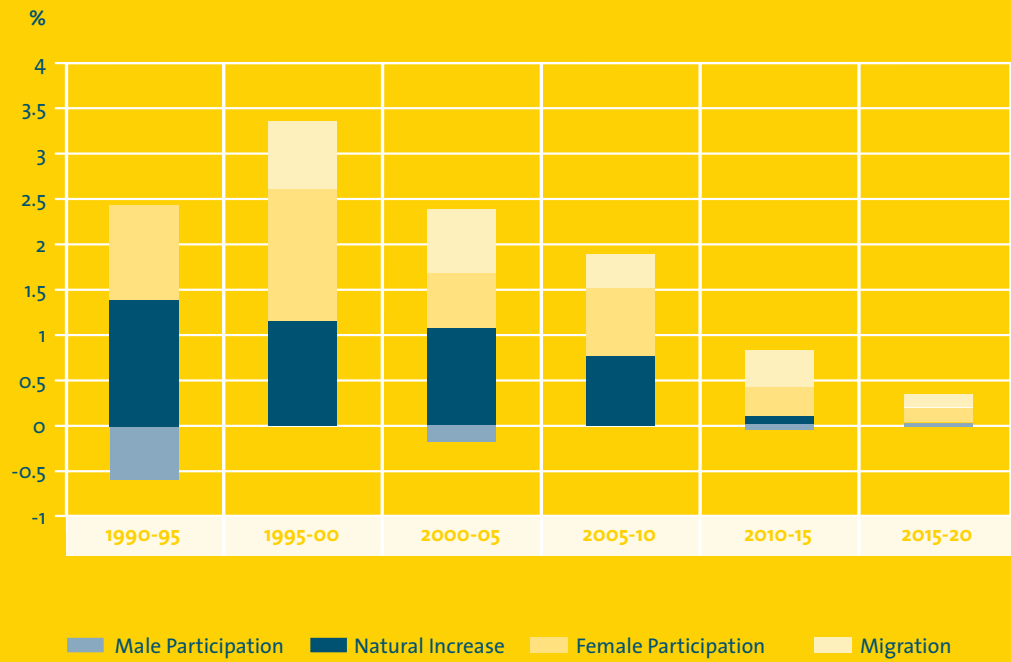
³⁶ Regional Population Projections 2006-2021, CSO, May 2005 (M1F2 Medium Forecast).

³⁷ FÁS / ESRI Manpower Forecasting Studies Report No. 11, January 2004.

³⁸ OECD Employment Outlook 2004.

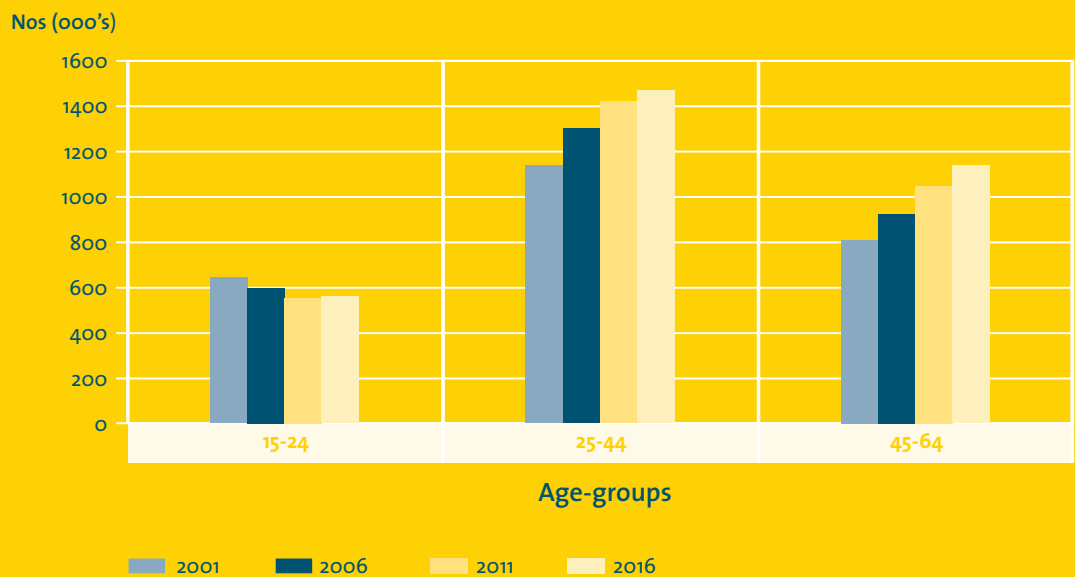
³⁹ Productivity: Ireland's Economic Imperative, A Study of Ireland's Productivity Performance and the Implications for Ireland's Future Economic Success; by Paul Tansey, 2005.

Figure 2 Contribution to Labour Force Growth: Ireland 1990-2020



Source: *Building the Economy: Medium Term Prospects*, John Fitz Gerald, ESRI, 2003.

Figure 3 Working-Age Population Projections⁴⁰ 2001-2016



Source: *CSO Regional Population Projections 2006-2021*, May 2005.

⁴⁰ Based on MIF2 Medium most likely scenario (assumes a continuation of recent demographic trends).

- 2.5 ● CSO data⁴¹ for end 2005 indicated that employment grew by 96,000 (a 5% increase) over the previous 12 months. Full-time employment accounted for three-quarters of the increase. This brought the total numbers at work to 1,989,800. Fifty per-cent of the additional jobs were taken up by women. The overall employment rate for those aged 15–64 is now 69% (for men it is 78% and for women 59%). 83% of employees are now in full-time employment with 17% in part-time employment (compared to 35% in the Netherlands where it is highest⁴²).
- 2.6 ● Women accounted for most of the 25,400 increase in part-time employment recorded during the year and now comprise 80% of those working in part-time employment. Overall, 32% of women workers are in part-time employment, compared to just 6% of males. Around 6% of workers here are on fixed duration temporary employment⁴³ (fixed-term or short-term contracts — the majority for more than two years duration), compared to a 12% EU average.
- 2.7 ● Employment in the *Construction sector* increased by 30,400 over the year, accounting for 32% of the increase in total employment (and for 60% of the growth in male employment). It was followed by the Financial and other Business sector which accounted for 20% of the annual increase. *Agriculture, forestry and fishing* showed little change over the year. There was a general spread across the sectors in relation to the increase in female employment. A quarter of the increase was in the *Financial and other Business Services*, while other significant sectors included *Wholesale and Retail* (23%) *Health* (21%), *Public Administration and Defence* (14%), and *Education* (15%).
- 2.8 ● The size of the labour force increased by 99,000 (5%) during the year. Demographic factors such as the increase in the population of working age and changes in its age structure, accounted for an estimated 58,000 of this increase, (with inward migration contributing 70% of this number) and the balance of 41,000 being due to higher labour force participation rates.
- 2.9 ● Results from the 2002 Census (see Table 2.1 below) show that there were 88 urban and rural blackspots with unemployment rates of over 24% — three times greater than the national norm as reported in the Census.

41 CSO Quarterly National Household Survey, November, 2005

42 OECD Employment Outlook, 2005.

43 Employment in Europe Report 2003, Charts 82 and 83.

Table 2.1 Unemployment Blackspots,
at Electoral Division Level by County, in 2002

County	Number of Locations	Average Unemployment	Average Unemployment Rate
Cork City	11	163	24.7
Dublin City	15	341	24.0
Donegal	18	105	25.2
Galway County	6	134	27.6
Limerick City	11	147	24.8
Louth	4	445	22.1
Mayo	5	95	29.9
Waterford City	6	125	24.5
Other counties	12	197	22.6
Total	88	188	24

Source: 2002 Census of Population.

- 2.10** ● There were 96,700 people unemployed at end 2005 (QNHS) giving an unemployment rate of 4.3% (4.6% for men, compared to 4% for women) representing an increase of 2,800 over the year. Long-term unemployment comprised 28,100 i.e. 30% of total unemployment (1.4% of the labour force). Some 40% of unemployed males (and 27% of unemployed females) aged 35–54 years are now long-term unemployed. Ireland has a higher long-term unemployment rate than the UK (21%) Sweden (18%) and New Zealand (12%)⁴⁴. Meanwhile, the numbers on the Live Register (September 2005) totaled 156,400.
- 2.11** ● Recent work by the European Commission⁴⁵ examines the economically inactive population of working-age across Member States (broadly defined as those persons outside the labour force who are neither employed nor unemployed). They conclude that the term ‘inactivity’ includes a very diverse group of people in terms of their ‘proximity to the labour market’. For example, it may be that a person is classified as ‘inactive’ even if s/he has been actively looking for work and is willing to work, but is not available to start work within two weeks. Alternatively, an inactive person may be willing to work and available to start immediately, but is not actively looking for work, say, because s/he does not believe that there is any available. For this reason the EU highlight a new concept — ‘labour

⁴⁴ OECD Employment Outlook, 2005.

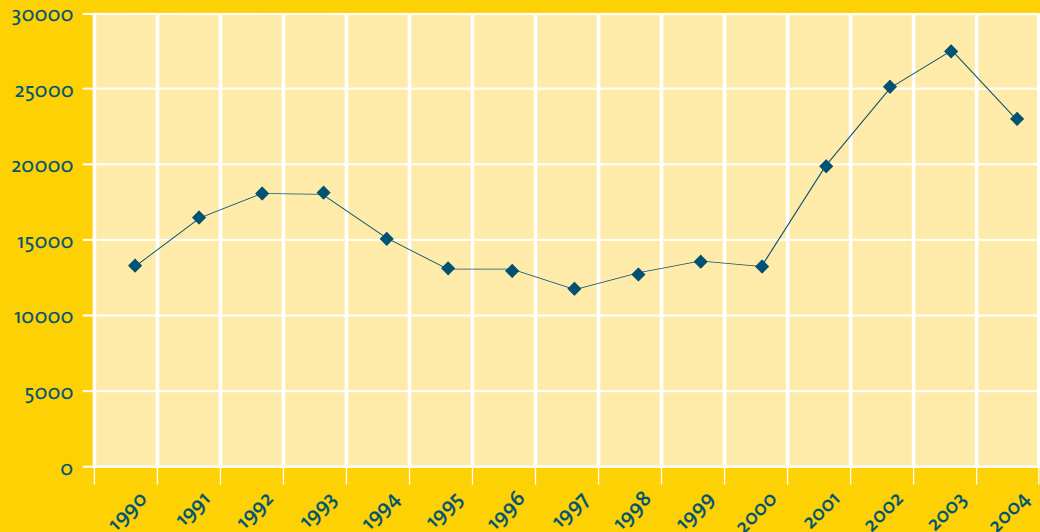
⁴⁵ Employment in Europe, 2005, Recent Trends and Prospects, European Commission, 2005

force reserve' to identify, in this case, working-age people who despite being classified as 'inactive' are actually 'willing to work' should the opportunity arise.

- 2.12** ● The Inactivity rate for Ireland is around 32% of the working-age population, which is average for EU 25 but higher than the UK, Netherlands, Sweden and Denmark which have activity rates less than 25%. As with other countries, the inactivity rate is higher for women than men i.e. 42% compared to 20%. In some countries such as Sweden and Finland this gap is smaller at less than 5%. The incidence of inactivity is much higher among the low-skilled population. For Ireland, 48% of the low-skilled population is inactive compared to 26% of the medium skilled and 13% of the higher skilled. The main reasons (across countries) for current inactivity, are education and training (particularly for men); family or personal responsibilities (particularly for women); incidence of illness or disability; and finally those who are not looking for work because they believe there is none available. Many people consider themselves effectively trapped on the outside of the labour market because of barriers — real and perceived — even though they are willing and able to work. Overcoming these obstacles requires addressing barriers to their employment, facilitating integration in the labour market and increasing the rewards of work as compared to inactivity. It also means combining activation policies with effective economic policies aimed at supporting a high and sustainable degree of job creation for those who are willing and able to work.
- 2.13** ● The figure for this 'labour reserve' in Ireland is estimated at 10.4 % of the inactive working -age population. The inactive work-age population in Ireland is 1,215,000 (QNHS, November 2005). Around 38% of these are aged 15-24 years and are mainly (but not wholly) in education. Taking these out would leave a total inactive working-age population (25–64 years) of 753,000. Applying the 10.4 % estimated 'labour reserve' figure for Ireland would give approx 78,500 people. Therefore it may be said that a truer number of those looking for work are the 96,700 reported in the QNHS survey and this estimated unused 'labour reserve' figure of 78,500 people who are not classified as unemployed but would be willing and able to work if the barriers to their participation were addressed. Therefore the actual underutilised labour force potential is around 175,000 people.

Redundancies

- 2.14** ● The level of notified redundancies increased from 13,300 in 2000 to 23,400 in 2004 (see Figure 4 below). A sign of the rising cost to the tax payer of company closures and downsizing is that the State paid out €140 million in rebates under the Redundancy Payment Scheme in 2004 – almost three times the level in 2002. There is now increasing competition for inward investment projects from lower cost Asian and Eastern European countries, many offering similar low rates of corporation tax and

Figure 4 Number of Notified Redundancies 1990-2004

Source: Department of Enterprise, Trade and Employment.

other incentives. The main reasons cited by companies for their closure here were rising labour costs, cheaper imports, the downturn in global markets; increased price competition from lower cost locations such as China, India and Eastern Europe; loss of major contracts; exchange rate pressures; and increased input costs i.e. electricity, fuel, insurance.

Job Gains

- 2.15** ● New industrial job gains here have mainly come from the start-up and/or expansion of high technology firms, offering jobs of high skill content. The reasons most often cited for these job gains were; the availability of skilled staff; good telecoms infrastructure; English speaking workforce; flexible operating environment; access to EU markets etc. In the last couple of years, industrial job closures were balanced by new job announcements in the Dublin Region and Cork.
- 2.16** ● However, several other areas experienced a higher number of job closures than new job announcements i.e. such as in Counties Donegal, Cavan, Mayo, Carlow, Waterford, Wexford, Limerick. There were many localised areas where the scale of job losses along with the lack of alternative employment opportunities has had a significant negative

impact. The main official response to deal with major closures and redundancies has been to set up Task Forces (most often on an ad-hoc basis) involving bodies such as FÁS, DSFA, IDA, County and City Development Boards etc. (over the last year, FÁS engaged with some 56 companies experiencing redundancies).

- 2.17 ● At issue is how effective such responses can be, especially where there are few alternative local job opportunities. Due to rapid changes in work practices and technology it is essential that workers are given an opportunity to up-skill. However, companies facing possible closure are often reluctant to highlight this. Likewise, impending news of any new company start-up or expansion is mainly only known within the main job creation bodies i.e. IDA and Enterprise Ireland and there are few formal links between them and local development bodies. Therefore any training of workers for alternative work opportunities often only takes place after a closure. However, it should be possible to identify those workers in vulnerable sectors located in regions badly affected by job losses and provide workplace skills and accredited training courses such as team-working, communications, problem-solving skills, computer skills etc⁴⁶.

Sectoral Trends

- 2.18 ● Over the last five years the main increases in employment have taken place in the *Construction; Health; Public Administration; Financial and Business; and Education* sectors. There was a modest increase within the *Hotels & Restaurant* sector. Meanwhile the numbers employed in the *Industrial and Agriculture and Forestry and Fishing* sectors have continued to fall (see Table 2.2 below). FÁS/ESRI forecasts⁴⁷ point to the on-going decline in manufacturing employment. While a small increase is predicted for the high-technology sector, this is expected to be offset by a reduction in employment in *traditional manufacturing*. These forecasts contrast to the trends in the 1990s when employment in the traditional sector remained static while high-technology industry recorded increases of 5% per annum. The outcome for manufacturing may in fact be worse than that anticipated because the actual fall in employment is already 9,000 greater than that predicted for the end of the decade. Employment in the *Construction* sector is predicted to fall over the period up to 2010, mainly in the Greater Dublin Region. However, up to end 2005 there has been no actual reduction and the level of building activity has continued apace. Concerns remain; however, as the relative share of the *Construction* sector at 12% of overall employment is higher than elsewhere.

⁴⁶ As highlighted in the *Fourth Report of the Expert Group on Future Skill Needs*, 2003.

⁴⁷ Op cit.

Table 2.2 Trends in Sectoral Employment 2000-2005

Sector	ooo's					
	2000	2001	2002	2003	2004	2005
Agriculture/Forestry/Fishing	137	126	126	119	121	113
Industry	315	321	315	308	300	300
Construction	161	181	185	190	204	235
Wholesale and Retail	234	247	250	254	263	267
Hotels and Restaurants	109	109	111	114	117	114
Transport and Communications	102	109	111	113	114	116
Financial/Business	208	219	227	228	236	253
Public Admin & Defense	79	81	85	92	91	97
Education	100	102	106	114	118	118
Health	128	142	156	168	177	185
Other Services	95	92	97	98	108	117
Labour Force of which	1,750	1,795	1,850	1,884	1,934	2,000
■ In Employment	1,666	1,728	1,769	1,797	1,848	1,915
■ Unemployed	84	67	81	87	86	85
Unemployment Rate (%)	4.8%	3.7%	4.4%	4.6%	4.4%	4.2%
Participation rate (%)	59%	59%	60%	60%	61%	61%

Source: CSO Quarterly Household Survey, June 2005 and earlier QNHS editions.

Note (1): Seasonally Adjusted Series for the first quarter of each year.

Note (2): "Other Services" comprises community, social and personal services.

Trends in Occupations

- 2.19** ● Over the period 2001–2010, managers and professional occupations are predicted to show significant but slower employment growth compared to earlier years (see Table 2.3 below). Little expansion is expected in either skilled or unskilled manual jobs (reflecting underlying sectoral trends). Within service occupations, the *Carer category* (which includes those engaged in *childcare* and other caring activities), is predicted to increase by 8% per annum (the highest for any occupation). Professional occupations in the business, legal areas are also expected to grow fast. Forecasts predict a continuation of the trend towards increased high-skilled employment levels. For 2010, occupations with the highest share of third-level qualifications are predicted to be; *Health and Educational*

Professionals (over 90%); and *Science and Engineering Professionals* (85%). Higher than average employment growth is forecast for the Dublin Region due to a greater expansion in services sector employment, compensating for a decline in industrial employment. An implication of this will be the trend towards a higher skilled profile of employment in the Greater Dublin Region compared to elsewhere.

Table 2.3 Distribution (%) of Employment Classified by Occupation

Occupation	1991 %	2001 %	2010 %
Agricultural	11	6.3	4.8
Managers & Proprietors	11	13	13.3
Health & Education Professionals	5.7	5	5.4
Science & Engineering Professionals	1.4	2.7	3.1
Business, Legal & Other Professionals	2.5	3.7	4.5
Health Associate Professionals	3.2	3.2	4.1
Science & Engineering Associate Professionals	1.6	2.3	2.7
Clerical	14	12.8	12.7
Skilled Building Workers	2	3.7	3.0
Skilled Maintenance Workers	4.4	4.0	3.5
Other Skilled Manual	5	4.3	3.4
Operatives	8	9.7	8.3
Transport Operatives	4	4.6	4.7
Sales Occupations	7.6	8	8
Carers	1	2.4	3.7
Other Service Activities	6	6	6.7
Unskilled Manual	9	5	4
Total	100%	100%	100%

Women in the Labour Market

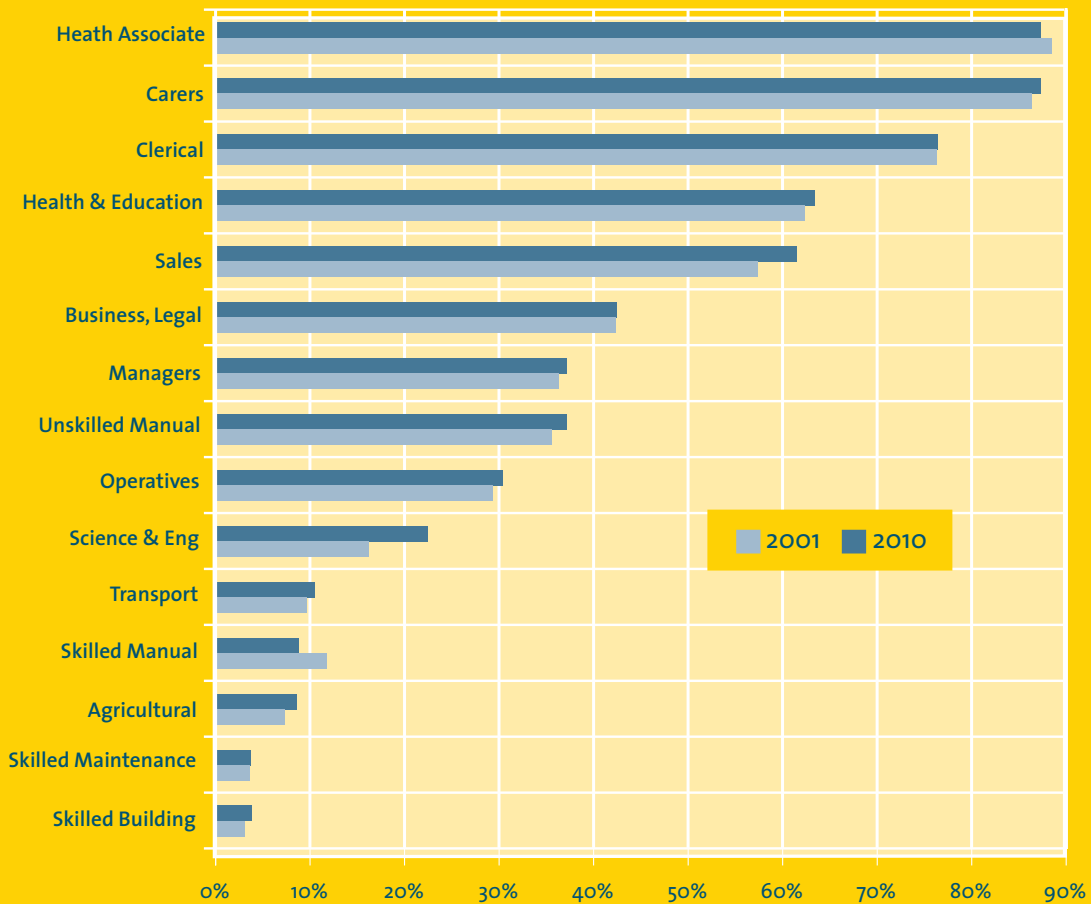
- 2.20 ● The number of women in employment in mid-2005 was 819,100. This represented 42% of total employment compared to 35% in 1991. Around 32% of women at work are in part-time employment, compared to just 6% of males. Women here account for nearly 80% of those working in part-time employment (the OECD average is 72%). A breakdown of the trends in sector employment is given in Table 2.4 below.
- 2.21 ● Women have benefited from the expansion of certain sectors where they already comprise a high share of employment, such as in the *Health, Education and Public Administration* sectors. Both men and women have benefited from the expansion of employment in the *Financial and Business* sector. Meanwhile, the significant recent employment growth in the *Construction* sector has benefited males almost exclusively.
- 2.22 ● The female share of employment is highest in the *health associate professionals* and *caring* occupational categories (between 85%–90%) followed by *clerical workers* (75%), and *health & educational professionals* (62%). It is lowest in the *Agricultural* and *skilled manual* occupational categories, where their share is around 10%. In the skilled manual category, the proportion of female workers has fallen sharply throughout the 1990s from 28% to 11% and is expected to fall further to 8% by 2010 (mainly due to the decline in the clothing and textile sector, which traditionally employed a high proportion of such workers).
- 2.23 ● The lowest female share of employment is for the *skilled building worker* category at 2%. Despite several years of FÁS promotion aimed at the construction industry, parents and schools etc, and the availability of bursaries for young women, the number of female apprentices has never risen above more than 2% of the total number of apprentices.
- 2.24 ● Forecasts for the period 2001-2010 predict a small increase in the female employment share for most occupations — less than during the 1990s. The participation rate for women aged 35–59 years continues to lag behind the rest of the EU (between 10%–15% lower). It is among this group that there is most potential for further increases in participation rates.
- 2.25 ● However, there are barriers to reconciling work and family life, affecting women's participation and advancement particularly the affordability and provision of childcare, disability and elder caring services. Another major issue is that female employment continues to be concentrated in a narrow range of occupational categories where they already comprise a high proportion of those at work.

Table 2.4 Trends in Sectoral Employment 2000-2004 — by Gender

Sectors	2000	2001	2002	2003	2004	2005
	Males			ooo's		
Agricul/Forestry/Fishing	122	112	114	106	109	103
Industry	215	223	220	219	213	210
Construction	153	172	176	181	194	223
Wholesale and Retail	125	128	128	129	133	134
Hotels and Restaurants	44	44	46	47	51	48
Transport & Communication	76	81	82	84	85	91
Financial/Business	105	111	113	116	118	125
Public Admin/Defense	47	46	45	51	50	49
Education	33	33	33	35	35	35
Health	27	29	30	33	35	33
Other service	44	41	45	43	52	52
In Labour Force	1,041	1,060	1,082	1,099	1,126	1,155
In Employment:	991	1,021	1,032	1,045	1,073	1,103
Participation Rate %	71%	71%	72%	72%	72%	72%
			Females	ooo's		
Agricul/Forestry/Fishing	15	14	13	13	12	11
Industry	100	98	95	89	87	89
Construction	8	9	9	9	10	11
Wholesale and Retail	108	118	121	124	130	133
Hotels and Restaurants	64	65	65	67	66	65
Transport & Communication	26	28	29	29	29	25
Financial/Business	103	108	115	112	118	128
Public Admin & Defense	32	34	39	41	42	49
Education	67	69	73	79	83	83
Health	101	113	126	135	143	152
Other services	51	51	52	55	56	65
In Labour Force	708	734	768	784	808	845
In Employment:	676	707	737	753	776	813
Participation Rate %	48%	49%	49%	49%	50%	52%

2.26 ● Nearly 60% of women at work are employed within five main occupation categories that comprise approx one-third of total employment i.e. in the *Health; Carers; Clerical; Education; Sales* occupational categories. Within these categories women comprise between 60–90% of the total numbers employed (see Figure 5 below).

Figure 5 Female Employment shares within Occupations 2001-2010



Source: FAS / ESRI Occupational Employment Forecasts Report No. 11, 2004.

2.27 ● In a recent study⁴⁸, Ireland performs poorly in terms of the opportunities open to women to participate on a level with men in the workforce. Ireland is ranked 37 out of 51 in terms of women’s economic participation and 51 out of 56 countries in terms of equality of *economic opportunity* for women (*economic participation* differs from *economic opportunity* in that *participation* refers to women’s presence in the workforce, whereas *opportunity* refers to the quality of their economic involvement and potential for career advancement). The study characterises countries

48 Women’s Empowerment: Measuring the Global Gender Gap, World Economic Forum, 2005.

which scored badly on economic opportunity as those where women may gain employment with relative ease but where their employment is concentrated in more poorly paid and lower-skilled sectors with a lack of upward mobility and opportunity.

- 2.28** ● Recent research for 11 countries⁴⁹ (see Table 2.5 below), estimates that we have one of the highest penalties in pay reduction associated with motherhood. For Ireland, the presence of one child is associated with a 5% reduction in gross hourly earnings; two children with a 12% reduction; and a third child with an 18% reduction (this is after having controlled for differences in the labour market and personal characteristics of mothers compared to women without children). The level of reduction in gross hourly earnings is even greater for younger mothers i.e those who have their first child under 25 years of age. These findings have implications in terms of the financial disincentives such mothers face returning to work, given that they not only experience relatively lower earnings but also at the same time they face higher ‘work participation costs’ for childcare, disability and eldercare services.

Table 2.5 Reductions in Gross Hourly Earnings Associated with Motherhood

Country	One Child	Two Children	Three Children
Ireland	5%	12%	18%
UK	—	12%	15%
Germany	4%	12%	12%
Denmark	3%	8%	13%
Spain	5%	7%	4%
France	3%	4%	3%
Italy	1%	1%	7%
Belgium	0%	2%	5%
Netherlands	0%	0%	0%

Source: Warwick Institute for Employment Research, UK, October, 2005.

- 2.29** ● The relative number of women who have started new business here is also low⁵⁰ (we are ranked 17th out of 22 OECD countries). Women face several difficulties including fewer business networks, a greater reliance on family and banks for funding; less likely to start the type of businesses which qualify for grants from development agencies; and insufficient

49 Identifying the Penalties in Pay Associated with Motherhood — a European comparative analysis, Bulletin number 79, Warwick Institute for Employment Research, UK, 2005.

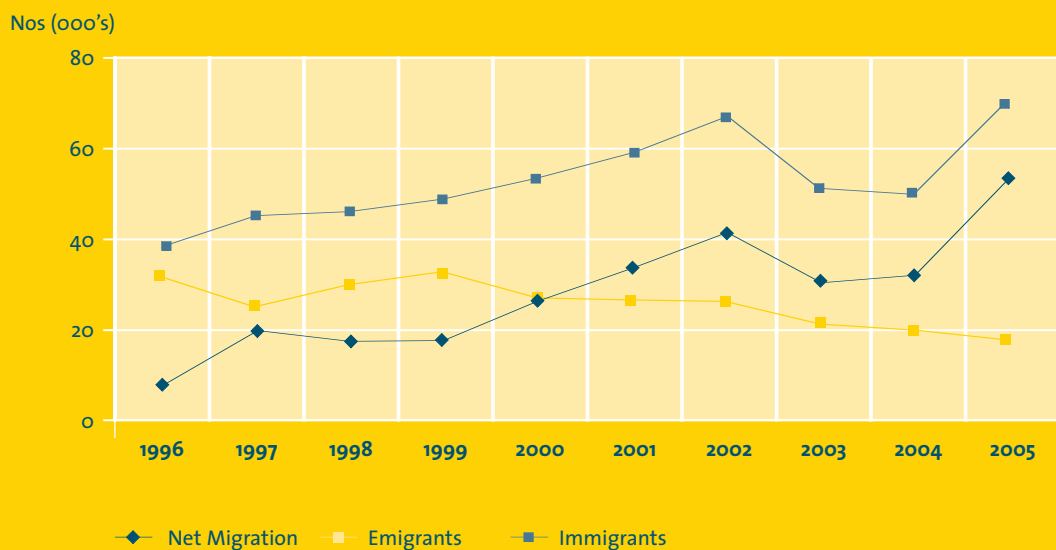
50 Global Entrepreneurship Monitor, Babson College, USA and London Business School UK, 2005.

childcare support provision. It is estimated that 11% of people here are planning to start a new business in the next three years, of which one-third are women suggesting that our low level of female entrepreneurship may continue in future years.

Immigration

- 2.30 ● With the economic boom over the last decade, we have now moved from being a country of emigration to being a country of immigration (see Figure 6 below).
- 2.31 ● From 2004, Ireland (along with the UK and Sweden), has an open labour market with the ten new EU Member States, although there is a two-year residency requirement for the payment of Irish Unemployment Assistance, Child Benefit and pensions which applies to all migrant workers (Other EU 15 countries have applied restrictions during a seven-year transitional period). Workers from these new Member States no longer need work permits to work in Ireland. The level of inward migration here is dependent upon a number of factors here including the demand for labour, level of wages, cost of living; social welfare provisions etc here, compared to other EU Member States. Recent research⁵¹ has also suggested that migrant networks and recruitment agencies and individual contractors can also play a powerful role in facilitating and thereby also to a certain degree determining the magnitudes of these flows.

Figure 6 Estimated Migration: Ireland 1996-2005



Source: Population and Migration Estimates, April 2005, CSO, Sept 2005.

51 Emerging Trends and Patterns in the Immigration and Employment of Non-EU Nationals in Ireland: What the Data Reveal, M.Ruhs, Visiting Research Fellow, Policy Institute, Trinity College, Dublin, 2003.

- 2.32 ● Migrant networks and institutions can operate fairly independently of economic conditions which suggest that migration flows may continue even in an environment of declining economic growth. It is essential that we address the existing barriers causing labour market vulnerability, otherwise low-qualified people here will face increasing competition for available jobs in the future. We also need to agree on a fair immigration system which will both help to meet our future skills needs and at the same ensure that longer-term support measures (such as training, education, housing and healthcare) are put in place to prepare for migrant workers and their families into our communities. Otherwise, not doing so will create a greater risk of polarised communities in the future⁵².
- 2.33 ● **The Project Team recommends that a fair immigration system should be introduced which would both help to meet Ireland’s future skills needs and at the same time ensure that longer-term support measures (such as training, education, housing and healthcare) are put in place to help migrant workers and their families integrate into the community. At the same time those barriers causing labour market vulnerability must be addressed, otherwise low-qualified people here will face increasing competition for available jobs in the future. This could lead to a growth in the numbers of dissatisfied low-skilled workers and the creation of polarised communities in the future.**

Conclusions

Changing Nature of the Labour Market.

- 2.34 ● There has been a dramatic growth in employment and a fall in unemployment over the last decade. Over the next decade however, it is predicted that labour supply growth will decline from 3.5 % to 0.5 % per annum and that the number of young people aged 15–24 years will fall by 13 % (by contrast, those aged 45–64 years are expected to increase by over 50%). This will mean a decline in the numbers of young people entering third-level education over a period when an additional demand for 195,000 people with these qualifications is predicted.
- 2.35 ● Ireland can be characterised as having a high-proportion of low-skilled workers (30%) as well as a high proportion of high-skilled workers (30%). The highest proportion of low-skilled workers are in sectors such as *agriculture; industry; transport and communications; hotels and restaurants and wholesale and retail*. The highest share of skilled workers are in the education; business; financial; and health sectors. Over the decade, it is predicted that the additional new jobs will require even higher education levels than before.

⁵² Demitrios Papademetriou, President of the US-based Migration Policy Institute.

- 2.36 ● There are barriers to reconciling work and family life that are acting as a constraint on higher participation levels and economic opportunities for women, particularly the affordability and availability of childcare, disability and eldercare services. Another major issue is that female employment continues to be concentrated in a relatively narrow range of occupational categories where they already comprise a high proportion of those at work thereby limiting their potential for advancement.
- 2.37 ● In recent years, we have been transformed from being a country of emigration to one of immigration. Along with the demand for labour here, migrant networks and recruitment agencies play a powerful role in determining the magnitudes of these flows. The latter can operate fairly independently of economic conditions, which suggest that migration flows into Ireland may continue even were economic growth to decline. The level of inward migration should not, therefore, be perceived as an indication that those unemployed here are not looking for work.
- 2.38 ● We must, however, address the barriers that cause labour market vulnerability including the need for the up-skilling of low-qualified workers; otherwise they will face increasing competition for available jobs in the future. This will lead on to a growth in the numbers of dissatisfied young and older low-skilled workers. We also need to agree on a fair immigration system which helps both to meet our future skills needs (taking into account the predicted fall in our domestic labour supply) and at the same ensures that longer-term support measures (housing, health, education etc) are put in place now to prepare for migrant workers and their families.



SECTION III

Overview of Current Labour Market and Social Inclusion Measures

Introduction

- 3.1 ● The focus in this Section is on a review of the current range of €1,000 million per annum active labour market and social inclusion measures in place at the local level and the local structures in place, to both co-ordinate and deliver these measures.

Labour Market Measures

- 3.2 ● The scale and range of our active labour market measures (see Table 3.1 below) is still relatively large. As the OECD has pointed out, the number of participants on these measures, at any one point in time, is nearly as high as the number unemployed. The EU Commission⁵³ has also been critical on the lack of an overall coherent framework in the wide range of education and training initiatives introduced here.

Table 3.1 Numbers (000's) Participating on Active Labour Market Programmes⁵⁴ 1998-2004

Type of Programme	1998	1999	2000	2001	2002	2003	2004
FÁS Training	12.0	13.0	12.0	11.0	14.0	11.0	14.7
Community Employment ⁵⁵	40.0	39.0	36.0	33.5	25.0	24.4	26.2
Back to Work Allowances	24.0	37.5	39.0	32.0	27.0	17.0	12.1
VTOS	5.0	5.0	5.0	5.5	6.0	5.7	5.5
Tourism Training	11.5	11.0	11.0	12.0	12.0	12.0	12.0
Total number	92.5	105.5	103.0	94.0	84.0	70.1	70.5
Nos. Unemployed⁵⁶	106.0	89.0	69.0	79.5	84.0	88.0	86.0
Ratio – Total num/nos unemployed	.87	1.18	1.49	1.18	1.0	.80	.80

Source: OECD for years 1998 -2003. Relevant Agencies for years 2003 and 2004.

53 Op cit.

54 There are other programmes such as the Back to Education Initiative which supports long-term unemployed people on college courses (7,000 were on such courses in 2005).

55 Figures for 2003 and 2004 include places on CE, the Social Economy Programme and Job Initiative — a decision was made at the end of 2003 to cap these at 25,000 total level of participation.

56 End of year unemployment figures — CSO QNHS Survey.

- 3.3 ● Around €1,000 million per annum is currently being spent on active labour market, employment and social inclusion programmes aimed at helping people into work and / or self-employment. A breakdown of this expenditure is given in Table 3.2 below.

Table 3.2 Breakdown of Labour Market and Social Inclusion Measures 2005

	€million
Dept of Social & Family Affairs	
■ Employment Support Services. This includes:	107.5 m
■ Back to Education Allowance (€48.3 m);	
■ Back to Work Allowance (€52.2 m);	
■ Part Time Job Incentive Scheme (€1.4 m).	
■ Family Income Supplement	74.0 m
■ Training & Business Support to BTW participants	2.6 m
Dept of Education & Science	
■ Community Education	8.9 m
■ VEC Adult Literacy Development Fund	17.7 m
■ Back to Education Initiative	1.8 m
Dept of Community, Rural and Gaeltacht Affairs	
■ Local Development/Social Inclusion Measures	45.7 m
■ Community Development Programme	22.4 m
■ RAPID Programme	7.4 m
■ Improved Co-ordination of Local and Community Development Schemes	4.0 m
■ Leader, Interreg and Peace Programmes	13.0 m
■ Rural Social Economy Scheme	12.0 m
Dept of Environment, Heritage and Local Government	
■ Community and Social Inclusion in Local Authorities	4.1 m
Dept of Agriculture and Food	
■ Teagasc Training	17.8 m

Table 3.2 contd.

Dept of Arts, Sports and Tourism	
■ Failte Ireland Training	14.0 m
Dept of Justice, Equality & Law Reform	
■ Equal Opportunities Childcare Programme (excluding €24 m capital)	49.4 m
Dept of Enterprise, Trade & Employment	
• Equal Programme	6.7 m
• Skillnets (Industry lead training)	7.5 m
• FÁS Employment Services (of which NEAP costs are €15.5 m approx)	32.0 m
• FÁS /LES Job Clubs	5.7 m
• FÁS Local Employment Service	18.0m
• FÁS Specific Skills training	62.0m
• FÁS Return to Work	3.8 m
• FÁS Traineeship	19.0 m
• FÁS Bridging/Foundation Training	16.1m
• FÁS Community Training Workshops	39.6 m
• FÁS Community Training	24.9 m
• FÁS Specialist Training Providers	44.1 m
• FÁS Disability Support Awareness	2.0 m
• FÁS Life Long Learning	0.8 m
• FÁS Competency Development Programme	13.1m
• FÁS Workplace Development	2.0 m
• FÁS Community Employment	293.0 m
• FÁS Job Initiative Programme	40.0 m
• FÁS Wage Subsidy Scheme	5.0 m
• FÁS Supported Employment Programme	8.0 m
• FÁS High Support Programme	1.3 m
• FÁS Social Economy Programme	36.7 m
Total	€1,084 million

- 3.4 ● The *Joint Employment Report (JER)*⁵⁷ for 2005, drafted by the European Commission assessed Ireland's progress in relation a number of priority areas. Their key findings were that:
- there has been limited progress in increasing access to labour market programmes for a larger share of the unemployed and 'economically inactive population', with active labour market measures continuing to be focused primarily on the registered unemployed;
 - progress towards increasing the supply of childcare facilities is increasing slowly and the issue of affordability remains a key concern; and
 - there remains a failure to implement a coherent lifelong learning strategy. Although policies to increase participation are being put in place, their focus on low-skilled and older workers is insufficient. The rate of early school leaving remains above the EU average.
- 3.5 ● Labour Market programmes with a community focus saw a massive expansion in the early 1990s and as already mentioned, still remain at a high level, notwithstanding the fall in unemployment. These include active labour market programmes such as the *Community Employment Programme* and *Job Initiative Scheme* which provide work opportunities for unemployed people and help deliver much needed local services (the balance between these two objectives not being altogether clear).
- 3.6 ● The *Social Economy Programme* was established in 2000 to maximise the role of social economy enterprises in the regeneration of local communities within disadvantaged areas and to provide employment opportunities for long-term unemployed and other disadvantaged people. The amount of funding allocated for the programme in 2005 is €37 million. A Review of the Programme was commissioned in 2003. The issue of whether the Programme should remain with the Department of Enterprise, Trade and Employment or be transferred to the Department of Community, Rural and Gaeltacht Affairs is currently under consideration.
- 3.7 ● The Standing Committee on the Labour Market completed its review in 2003 of our active labour market programmes (including *Community Employment, Jobs Initiative, Education, Training and Back to Work Programmes*) but was unable to reach a consensus on policy reform. Due to internal differences, the future structures of CE and Jobs Initiative were left undecided, although in early 2004, the Government decided that the combined participation levels on CE, Jobs Initiative and Social Economy Programmes would be maintained at 25,000 participants (of which CE would be 20,000), at a total cost of €368 million.
- 3.8 ● The *Community Employment Programme* (CE), the largest of active labour market programmes has become a key support for much needed community services. Some 11,000 of its 20,000 places are now ring fenced for activities in RAPID areas, provision of childcare services, drugs task force

57 EU Joint Employment Report 2004/2005, March 2005.

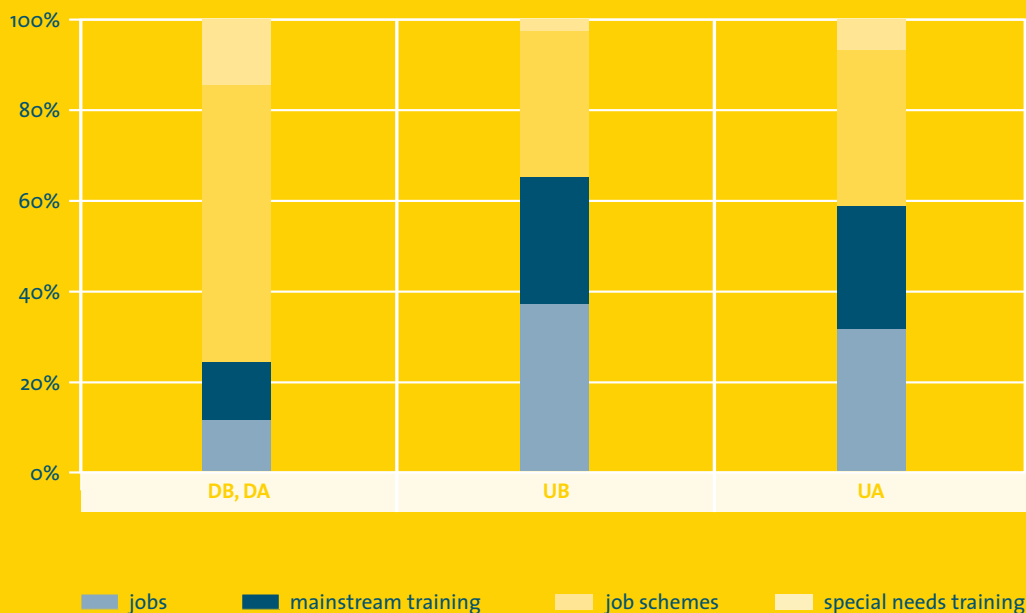
initiatives etc. This leaves around 9,000 places, a growing proportion of which are being taken up by those over 55 years who can now stay on CE for six years instead of the three-year norm. The actual scale of active labour market places available is, therefore, lower than that stated. An analysis of labour market impact⁵⁸ concluded that Community Employment had no statistically discernable impact on employment outcomes or participants, when personal characteristics were taken into account.

- 3.9 ● **The Project Team recommends that the Department of Enterprise, Trade and Employment and the Department of Finance should examine how essential services supported under Community Employment could be funded on a more sustained basis other than through CE funding. This would result in a smaller revitalised programme where the main criteria for the renewal of a project's contract would be determined by its success in improving the employability of participants.**
- 3.10 ● It is also not clear why a majority of disabled people placed through FÁS in 2004 went into Specialist Training Programmes and employment schemes rather than mainline training provision or into jobs (see Figure 7 below). Also, why the main employment support scheme for disabled people (FÁS Wage Subsidy Scheme) is not open to those seeking part-time work even though this is what is most often sought. There has also been a low uptake of grants to support the reintegration of disabled people into work such as the workplace adaptation and job retention grants. A reason for this may be employer's lack of awareness of them⁵⁹. An evaluation of the FÁS Supported Employment Programme (Martin, 2003), found that the retention of benefits was a major issue, with the minimum working hours eligible for participation effectively becoming the maximum. Groups such as Travellers are also often on mainly Traveller only provision.

58 *The Mid-Term Evaluation of the National Development Plan and Community Support Framework for Ireland 2000-2006*, ESRI, October 2003.

59 *Disability and Work Report*, National Disability Authority, 2005.

Figure 7 FÁS Placement Outcomes 2004



Source: National Disability Authority, 2005.

Note: DB (Disability Benefit), DA (Disability Allowance), UB (Unemployment Benefit) and UA (Unemployment Assistance).

- 3.11 ● The Project Team recommends that the Department of Enterprise, Trade and Employment and FÁS should carry out a review of the €60 million per annum directed at measures for disabled people as to why so many are on specialist training provision, rather than in mainline training provision; why the main employment support for disabled people is not open to those seeking part-time work; and why the uptake by employers of available grants to support reintegration is so low.
- 3.12 ● Also, most Lone Parents are placed on CE and few are on training programmes (though the evidence is that their employment prospects would be improved more by the latter). The design of Community Employment is more attractive to Lone Parents as it provides part-time work in projects which are more local and often provide childcare facilities nearby. It also results in a higher level of income.
- 3.13 ● Training programmes aimed at increasing a person's employability, should reflect the skills demands of the local labour market. In relation to FÁS Specific Skills Training, some of the results of the latest Follow-Up Survey⁶⁰ are disappointing when compared to previous years — 76% of participants felt that their course helped them to identify job opportunities compared with 88% in 2000. Also, just 51% of participants

60 2003 Follow-Up Survey of FÁS Participants, published November, 2004.

felt the training course had helped them to get a job, which was the lowest recorded figure. Most adult training course taking place in FÁS Training Centres start at 8.30 am and operate on a fixed daily hours basis Monday to Friday. These hours are often not suitable for people with family responsibilities or who may have a distance to travel.

- 3.14 ● The Eligibility criteria for labour market programmes needs to be framed in terms of the nature of employability problems a person has, rather than arbitrary age/duration of unemployment criteria, which may not be the most important factors. Such criteria can have the effect of leading people to wait until they qualify for the time related criteria. The quality and relevance of training and employment supports is crucial in improving a person's employability and is a major factor influencing the employment outcomes for people.
- 3.15 ● The eligibility criteria for entry to the *Back to Work Allowance Enterprise* strand (introduced in 1993 to encourage long-term unemployed to take up opportunities of self-employment) has moved from one year on the Live Register, to five years, and recently back to three years. The qualifying period for the employee strand remains at five years for those on UB/UA.
- 3.16 ● Eligibility criteria for the Back to Education Allowance, for a third-level college place, which was six months on the Live Register, moved recently to 15 months, and is now back to twelve months. The qualifying criteria for the second level option remained at six months.
- 3.17 ● **The Project Team recommends that FÁS and the Department of Education and Science should ensure that the eligibility criteria for their programmes are framed in terms of a person's employability problems, rather than mainly on age and/or duration of unemployment as at present. The starting and finishing times as well as the location of courses should better accommodate people's needs. There should be a particular focus on enabling more women, who wish to return to paid work after a long period out of the workforce, to participate.**
- 3.18 ● A range of educational programmes have been set up to combat educational disadvantage at the local level. They have been criticised on the basis that their fragmented nature and delivery is not an adequate response to the problem of low literacy and numeracy levels in poorer areas and the on-going problem of early school leaving. A more integrated policy response⁶¹ was announced in May 2005, with ten existing schemes being brought together in an integrated way into a single new school support programme for each school (The NESF had previously called for this rationalisation and integration of these measures⁶²).

61 *Delivering Equality of Opportunity in Schools: An Action Plan for Education Inclusion*, Department of Education and Science, 2005.

62 Op cit

- 3.19 ● The Project Team supports the view of the recent EU evaluation of the first five years of the *European Employment Strategy* which concluded that labour market programmes alone rapidly reach their limits when they are not part of a wider approach encompassing complementary social inclusion measures. This highlights the need to have clearer links and interaction at the national level between the *National Employment Action Plan* and *National Action Plan against Poverty and Social Inclusion* (and all social inclusion measures contained within the National Development Plan).

Social Inclusion Measures

- 3.20 ● The second *National Action Plan Against Poverty and Social Inclusion (NAP/Inclusion)* covers the period 2003-2005. It incorporates the commitments made in the revised *National-Anti-Poverty Strategy (NAPs) — Building an Inclusive Society 2002–2007* and further policy commitments made since then in many of the ten initiatives included in the Partnership Agreement *Sustaining Progress*. The overall aim of the NAPs strategy is “to reduce substantially and ideally, eliminate poverty in Ireland and to build a socially inclusive society”. The Office of Social Inclusion (OSI) based in DSFA has overall responsibility for developing, co-ordinating and driving the NAP/Inclusion process. There are NAPS targets to eliminate long-term unemployment not later than 2007 and to reduce the level of unemployment experienced by vulnerable groups towards the national average by 2007.
- 3.21 ● The *National Development Plan/Community Framework (NDP/CSF)* involves an investment of over €52 billion over the period 2000-2006 in health services, social housing, education, roads rural development, industry water and waste services. The promotion of social inclusion is one of the four objectives underpinning the NDP/CSF. However, the current pattern of social inclusion provision across the NDP comprises some thirty-eight measures across four operational programmes with overlapping target groups; and the involvement of eight government departments and thirteen different agencies lends itself to co-ordination problems and inefficiencies. The mid-term evaluation of NDP/CSF by the ESRI highlighted considerable problems around the integration of cross-cutting objective in the Operational Programmes. Proposals were made to prioritise certain measures for social inclusion reporting and to build consensus on embedding the social inclusion principle for selected measures.
- 3.22 ● The *most recent EU Joint Report on Social Protection and Social Inclusion*⁶³ reviewed the success of policies in Member States in promoting social inclusion. In relation to Ireland it lists the challenges ahead as the need to;

63 *Joint Report on Social Protection and Social Inclusion*, Employment & Social Affairs, European Commission, 2005.

- address deficits in infrastructure and social provision, notably in relation to educational disadvantage, the integration of refugees and immigrants and access to health services, particularly for vulnerable groups;
- address income inequalities, which remain particularly high by European standards;
- ensure the on-going adequacy of income supports for those groups for whom labour market participation is not an option; and
- achieve wider pension coverage by supplementary private schemes.

Current Local Structures and Measures

- 3.23 ● Over the last fifteen years, a range of local structures and measures have been set up (see Table 3.3). The Project Team view is that the number of agencies and bodies involved in labour market and social inclusion service provision now comprise a ‘crowded organisational landscape’ and that there is a need to rationalise their work and more closely align the many programmes that exist within a more ‘networked model’. This streamlining of the delivery structures and specific measures at the local level would lead to a more effective delivery of services for the client.
- 3.24 ● **The Project Team recommends that local structures set up to support people into / stay at work should be streamlined and there should be a better alignment of active labour market and related social inclusion measures. This should be agreed within the proposed National Strategic Framework.**
- 3.25 ● There are 38 Area Partnership Companies and 31 Community Groups and two Territorial Employment Pacts which are funded through Area Development Management Limited (ADM) under the *Local Development Social Inclusion Programme* (LDSIP). The LDSIP is a series of measures aimed at countering disadvantage and promoting equality and social inclusion. Its funding is allocated on the basis of a strategic plan for the period 2000–2006 and a three-year implementation plan, the latest covering the period 2004–2006. There are three main measures within the LDSIP which are services for the unemployed; community development; and community-based youth initiatives.
- 3.26 ● The *Community Development Programme* (CDP) is administered by the Department of Community, Rural and Gaeltacht Affairs. There are currently 185 Community Development Projects around the country targeting disadvantaged communities.
- 3.27 ● County and City Enterprise Boards were set up to promote small business start-up and are funded through the Department of Enterprise, Trade and Employment.

- 3.28 ● Local Drugs Task Forces (LDTF) comprising a partnership between the statutory, voluntary and community sectors were established in areas experiencing the worst levels of drug misuse. They produced their first action plans in 1998 which included a range of measures in relation to treatment, rehabilitation, education, prevention and supply reduction.
- 3.29 ● Other programmes have a focus on regeneration such as RAPID (Revitalising Areas with Planning, Investment and Development Programme) which is a national programme established in 2001 targeted at 25 urban areas with the greatest concentration of disadvantage and 20 provincial towns. Following designation as a RAPID area, a local area plan is prepared. A recent review of the RAPID Programme⁶⁴ concluded that service delivery within disadvantaged urban and rural areas aimed at helping vulnerable people is often varied, fragmented and diffuse, with some areas experiencing gaps in service provision while others have multiple agencies addressing a similar issue from different perspectives without reference to each other. The CLÁR programme was set up to address the infrastructural and social needs in rural parts of 18 selected counties that have suffered the greatest population loss.
- 3.30 ● The National LEADER Programme and the EU LEADER + Programme with a budget of €110 million over the period 2000–2006 are funding thirty-eight LEADER Groups. The programme covers almost all of the country with the exception of the major cities. Their aim is to promote rural development through training and capacity-building.
- 3.31 ● Thirty-three County/City Childcare Committees (CCCs) were established to overview quality improvement and to coordinate the implementation of childcare strategic plans within the county. Each committee developed a County Strategic Plan to cover the period 2001–2006 and is funded under the *Equal Opportunities Childcare Programme* (EOCP). Chairpersons of the CCCs are members of the County and City Development Boards.
- 3.32 ● The *Rural Transport Initiative* (RTI) was launched in 2001. It provides funding for community organisations and partnerships in rural areas, to encourage pilot transport initiatives, with a view to addressing the issue of social exclusion. Thirty-four projects are currently participating in the initiative with at least one project in nearly every county.
- 3.33 ● A *Rural Social Scheme* was launched in 2004 to provide an income supplement to small farmers and part-time fishermen while at the same time harnessing their skills for the benefit of rural communities. The scheme is operated through the LEADER Companies and Údarás na Gaeltachta.

64. *A Study of Service Integration in the Rapid Programme*, published by ADM Ltd, 2005.

Table 3.3 Overview of Selected Local Initiatives 1990-2005

Intervention	Date	Remit/ objectives	Government Department/Agency	Target Groups
Community Development Programme	1990	Capacity building, combating exclusion	Department of Community, Rural and Gaeltacht Affairs	Disadvantaged communities
Area Based Partnership Companies	1991 onwards	Disadvantage at the local level	Department of Community, Rural and Gaeltacht Affairs	Long-term unemployed and other disadvantaged groups
Money Advice Bureaus (MAB's)	1992	Budgetary advice to low income households	Department of Social and Family Affairs	Low income / welfare dependent households
County Enterprise Boards	1993	Promote micro-enterprise	Department of Enterprise, Trade and Employment	Potential entrepreneurs
Work experience programmes – CE and Jobs Initiative	1994 onwards	work experience and re-integration in labour market	FÁS (Department of Enterprise, Trade and Employment)	Long-term unemployed, lone parents etc
Local Employment Service (LES)	1995	Promote re-integration	Department of Enterprise, Trade and Employment	Unemployed with specific categories prioritised
Integrated Services Project	1997	Improved and co-ordinated services at local level	Initiated by Department of Tourism, Sport and Recreation, sought to involve most Departments	Disadvantaged urban communities
Educational Disadvantage Programmes	Various	Educational disadvantage	Department of Education and Science, Combat Poverty Agency	Disadvantaged children/schools
Local Drug Task Forces	1997	Drug problems	Department of Community, Rural and Gaeltacht Affairs	Communities with drug problems
RAPID/CLÁR	2000	Focus on regeneration in specific areas	Department of Community, Rural and Gaeltacht Affairs	Disadvantaged urban/rural areas
LEADER + Programme	2000 (current)	Development of the rural economy	Department of Community, Rural and Gaeltacht Affairs	Rural Areas
Social Economy Programme	2000	Promote social economy enterprises	Department of Enterprise, Trade & Employment/FÁS	Disadvantaged urban/rural areas
Local Anti-Poverty Strategies	2001	Roll out of NAPs at local level in seven local authorities	Local Authorities	Poverty at community level
County Development Boards/Community Fora	2001	Integrated local development	Department of Environment, Heritage and Local Government	Community/local development agencies
Rural Transport Initiative (RTI)	2001	Public transport in rural areas.	Department of Transport/ ADM	Rural areas
Rural Social Scheme	2004	Support for small farmers/fishermen	Department of Community, Rural and Gaeltacht Affairs/ LEADER Companies	Rural areas

- 3.34** ● *County and City Development Boards (CDBs)* were established in 2000 in each of the 29 county councils and in five major cities to bring about an integrated approach to the delivery of both State and local development services. They operate under the aegis of the Local Authorities. Each CDB developed a ten year strategy plan for their area. Social Inclusion Measures Groups (SIMs) representative of relevant public and local development bodies, were set up under the CDBs.
- 3.35** ● In 2003, the Evaluation Unit of the National Development Plan/ Community Support Framework evaluated the success of the CDBs in achieving the objectives of co-ordination and integration in the delivery of social inclusion measures in the National Development Programme (NDP)⁶⁵. The evaluation report concluded that the CDB process had not, thus far, led to greater co-ordination and integration in the delivery of social inclusion measures. They concluded that — *“there is a sense that policy towards social inclusion is not joined up with the SIM co-ordination process detached from both the NDP implementation framework and social inclusion policy frameworks such as the National-Anti-Poverty Strategy”*.
- 3.36** ● Some of these barriers were seen as being due to the vertical nature of Departments’ organisational cultures and the lack of flexibility to adjust spending programmes to local circumstances. Other constraints were the absence of incentives within the system to reward organisations that pursued issues around coordination and/or who sought to eliminate duplication; and a narrow approach to implementation adopted by many public service organisations. The main recommendations made in the report were that;
- Departments should be required to embed support for coordination into their strategy statements and business plans and provide a clear indication about their role in supporting the coordination objective at national and local level.
 - Departments should provide a clear and explicit mandate to local departmental or agency participants in the local consultation process and should acknowledge individuals for their contribution to effective service integration projects.
- 3.37** ● Overall, the report highlights the importance of central government support for service integration and the need for this support to be translated into practical actions, including providing explicit mandates on what is expected from service integration work and increased budgets to agencies who can demonstrate engagement in service integration work. It concluded that national level support also needed to be matched by tangible actions at the local level to operationalise service integration including inter-agency training for staff; changed job descriptions to

65 Evaluation of Social Inclusion Co-ordination Mechanisms, NDP/CSF Evaluation Unit, 2003.

include service integration work and explicit mechanisms for information sharing between agencies.

- 3.38 ● The report recommended that CDBs should shift their focus from the co-ordination of organisations and delivery structures towards a focus on outcomes for socially excluded target groups — consistent with the target groups under the NAPs (the unemployed; Children; Women; Older People; People with Disabilities; Travellers; Migrants and Members of Ethnic Minority Groups; Disadvantaged Urban Dwellers; Disadvantaged Rural Dwellers). It was hoped that this would shift attention away from territorial issues around the role of the various delivery bodies towards a problem-solving agenda where a common problem is identified and addressed.
- 3.39 ● **The Project Team recommends that County and City Development Boards should concentrate on 10–15 key labour market and social inclusion actions, within their 3 year plans, with a focus on inter-agency work with other bodies to bring about major improvements in outcomes for vulnerable people seeking work. There should be measurable outcomes to this work.**
- 3.40 ● In 2002, a new Department with responsibility for Community, Rural and Gaeltacht Affairs was established with specific responsibility for community and local development, including coordination of the National Drugs Strategy, Local Development Social Inclusion Programme, RAPID, rural development (including LEADER), CLÁR, Interreg and the Western Development Commission.
- 3.41 ● Following a recent consultation process, the Government has requested that CDBs co-ordinate proposals from the community and local development agencies in their areas. Community and local development agencies (including Area Partnerships, Community Development Projects, RAPID groups, Childcare Committees and LEADER Groups) are to submit their business plans to CDBs for consideration and endorsement. CDBs are now reviewing their strategies with a view to identifying a limited number of key priorities for implementation over the period 2006–2008.

Conclusions

Active Labour Market Programmes

- 3.42** ● There has been a lack of agreement (under the *Programme for Prosperity and Fairness 2000–2003*), on policy reform of our active labour market programmes. The need for radical reform is clear however. The EU Commission has been critical on the lack of an overall coherent framework in the wide range of education and training initiatives introduced here in recent years. They have highlighted the limited progress in increasing access to labour market programmes for a larger share of the unemployed and ‘economically inactive population’, with active labour market measures continuing to be focused primarily on those registered as unemployed.
- 3.43** ● There is a tension within Community Employment Programme, the largest of the active labour market programmes, between the aims of progressing people into jobs and the provision of much needed local services. The actual scale of active labour market places available is lower than that stated. There are other important issues that need to be addressed such as why so many disabled people are on specialist training programmes rather than in mainline training provision; why groups such as Travellers find themselves mainly on Traveller only programmes and why the majority of Lone Parents are on CE and few on training programmes. It is essential that training programmes aimed at increasing a person’s employability should reflect the skills demands of the local labour market.
- 3.44** ● There has been a failure to implement a coherent lifelong learning strategy and the training of low-skilled and older workers here is insufficient. The rate of early school leaving also remains above the EU average (these issues are addressed in more detail in Section VII of the report).

Social Inclusion Measures

- 3.45** ● The current pattern of social inclusion provision comprises some thirty-eight measures across four operational programmes with overlapping target groups; the involvement of eight government departments and thirteen different agencies lends itself to co-ordination problems and inefficiencies. In turn these social inclusion processes lack a coherent linkage with the National Employment Action Plan — despite the fact that labour market programmes alone rapidly reach their limits when they are not part of a wider approach encompassing complementary social inclusion measures. The role of the County and City Development Boards in co-ordinating the delivery of social inclusion measures at the local level should be re-examined. Many of these included up to 200–300 specific actions in their ten year action plans (2000–2010). This was over ambitious and it would now be better to concentrate on a much smaller number of areas (10–15) where key inter-agency work would help.

IV

Introduction

- 4.1** ● The focus of this Section is on best practice models and elements of good practice at the local level that can help to enhance local labour market and social inclusion measures. For this purpose, it reviews the development of employment and social policies at a European level and within Ireland. It also draws upon research that was commissioned by the Project Team in North City Dublin and Counties Donegal/Sligo. The examples of good practice in this Section are taken from this research as well as from submissions received and help to illustrate the key elements required for an effective and inclusive local labour market strategy.

Europe

- 4.2** ● The influence of the EU on the conduct of social policies by the Member States has increased over the years through, for example, strengthened anti-discrimination provisions; the National Anti-Poverty strategies; the European Social Model; the National Employment Action Plans and the 'Open Method of Co-ordination'. The main objective of the re-launched EU Lisbon Strategy (2005) is the realisation of the most competitive, knowledge-based economy in the world (with the aim of reaching a 70% overall employment rate by 2010, female employment rates of 60% and 50% for older workers).
- 4.3** ● The new EU Social Agenda (2005-2010)⁶⁶, which is an integral part of the Lisbon Strategy, focuses on the need to provide jobs and equal opportunities for all to ensure that the benefits of economic growth reach everyone. This is against a background where the scale of globalisation and rapid workplace change are increasing.
- 4.4** ● The EU Commission has called on Member States to develop comprehensive strategies that support the re-integration of unemployed and other disadvantaged groups into employment⁶⁷. They have highlighted

⁶⁶ Communication from the Commission on the Social Agenda, COM (2005) 33 Final.

⁶⁷ Modernising Social Protection for More and Better Jobs- a comprehensive approach to making work pay; COM (2003) 842 Final.

the need for closer co-ordination between different agencies and bodies in devising policy strategies to develop a more inclusive labour market.

- 4.5 ● The Report of the EU Employment Task Force, chaired by Wim Kok,⁶⁸ made a number of specific policy recommendations for Ireland. These include the need to make work a real option for all by increasing access to active labour market measures for a larger share of the unemployed and inactive population; and the need to pursue efforts to increase female participation. It also recommended a review of incentives to develop lifelong learning and to increase access to training, especially for lower skilled and older workers.
- 4.6 ● The Report emphasised the need for Reform Partnerships to mobilise support for actions including “*supporting partnerships and networks for innovation and employment, bringing together business, education and training organisations and local authorities in areas such as lifelong learning, research and innovation and work organisation*”. It concluded that partnership-based local and regional employment strategies should be encouraged and that the preparations by Member States of their national plans should have a stronger local dimension with more examples of the transfer of learning experiences from the local level to improve nationally-designed programmes.
- 4.7 ● The Meeting of EU Ministers for Employment and Social Policy (Galway 2004) highlighted the importance of non-financial aspects such as active labour measures, childcare and family friendly policies as key issues in influencing the decision by people to take up employment.
- 4.8 ● Following on from the re- launch of the Lisbon Strategy, the European Council has now agreed a new set of “Integrated Guidelines” for growth and jobs for the period 2005–2008.⁶⁹ These comprise a set of 24 integrated economic and employment policy guidelines to help Member States establish three year *National Reform Programmes* covering the period 2005–08 (this will also include relevant aspects from a new ‘streamlined’ Social Protection and Social Inclusion report to be compiled by each country). The annual Spring Meeting of the European Council will then consider the reports submitted by the Member States.
- 4.9 ● The new set of employment guidelines (which are cross-referenced with the economic guidelines), are geared towards increasing the adaptability of workers and enterprises; attracting more people to the workforce (and keeping them there); and investing more in workers. Member States are asked to pay special attention to the better governance of the Strategy by establishing a broad partnership for change at the national, regional and local level involving all stakeholders in the implementation of the guidelines. The new EU employment guidelines cover policies that;

68 *Jobs, Jobs, Jobs, Creating more employment in Europe*, Report of the Employment Taskforce chaired by Wim Kok, 2003.

69 Integrated Guidelines for Growth and Jobs (2005-2008), COM (2005) 141 Final.

- *Implement employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion* — this goes hand-in-hand with improving the attractiveness of jobs, quality at work, labour market productivity growth and reducing the share of the working poor. Equal opportunities, combating discrimination and gender mainstreaming are seen as essential for progress.
- *Promote a lifecycle approach to work* — by putting the right conditions in place to facilitate progress in employment, whether it is first time entry, a move back into employment after a break or the wish to prolong working lives. The quality of jobs, including pay and benefits, working conditions, job security, access to lifelong learning and career prospects are all seen as crucial, as are incentives stemming from the social protection system.
- *Ensure inclusive labour markets, enhance work attractiveness, and make-work pay for job-seekers including disadvantaged people, and the inactive* — through measures which increase the employability of those unemployed, including the early identification of needs, job search assistance, guidance and training as part of personalised action plans. This requires breaking down barriers to the labour market by removing any unemployment, poverty and inactivity traps; the provision of social services necessary to support the labour market inclusion of disadvantaged people and by review of the tax and benefits systems to making work pay and ensure adequate levels of social protection.
- *Improve matching of labour market needs* — in order to allow more people to find better employment through the strengthening of labour market institutions, notably employment services; a greater transparency of employment and training opportunities at national and European level and a better anticipation of skill needs.
- *Promote flexibility combined with employment security and reduce labour market segmentation having due regard to the role of the social partners* — recognising that enterprises must become more flexible and innovative to changes in the demand for their services while at the same time recognising that for employees, working life is becoming more complex with more diverse working patterns and an increasing number of transitions that need to be managed throughout the lifecycle.
- *Ensure employment — friendly and other labour cost developments and wage-setting mechanisms* — recognising that to maximise job creation and competitiveness, overall wage developments should be in line with productivity growth and that efforts are needed to reduce non-wage labour costs especially for the low-paid and those entering the labour market for the first time

- *Expand and improve investment in human capital* — recognising that the skills of workers need to be updated in the face of technological change and that the productivity of enterprises is dependent on building a workforce that can adapt to change. Governments are to ensure that the numbers leaving school early is reduced. To achieve a substantial increase in investment in human resources, it is seen as important to have a fair and transparent sharing of costs between enterprises, public authorities and individuals.
- *Adapt education and training systems in response to new competence requirements* — by ensuring that lifelong learning systems are affordable, accessible and responsive to changing needs — that increasing investment in lifelong learning is not enough but must be accompanied by the adaptation of education and training systems to improve their relevance through anticipation of future skill needs and developing frameworks to support the qualifications and the validation of non-formal and informal learning.

Ireland

- 4.10 ● The recent NESC Report — *The Developmental Welfare State*⁷⁰ and the NESF Fourth Periodic Report⁷¹ both highlight that good economic and social policies are mutually beneficial and can be made to support each other. They also emphasise the need to look beyond total employment growth and unemployment reduction, on which Ireland scores well, and to re-examine whether we are creating equal opportunities for all in the labour market. The NESC report states that “*significant minorities in Ireland’s population are currently experiencing one or more multiple forms of social disadvantage and present strategies and policies are not adequate in helping them*” and that “*a more pro-active approach is now needed to integrating social welfare, access to services and training and education programmes so that worthwhile employment is a genuine option for all people with low skills*”.
- 4.11 ● The NESF Fourth Periodic Report reinforces the need for effective education and training measures to support disadvantaged groups into employment, if our economic growth is to be underpinned into the future. It proposes that “*a holistic approach is now needed more than ever in the development of employment measures and services at the local level and the creation of better links between the National Employment Action Plan and the National Anti-Poverty Strategy (NAPS)*” and that “*active labour market policies should be more tailored to individuals needs and also embody a clear and easily understood balance between opportunities, obligations and incentives for those involved*”.

⁷⁰ *The Developmental Welfare State*, NESC, Report No 113, May 2005.

⁷¹ *Fourth Periodic Report on the Work of the NESF*, Report 30, November, 2004.

- 4.12 ● A more socially inclusive and cohesive society is seen, in the IDA's vision for Ireland, as a key factor which will make Ireland stand out as an attractive location to attract foreign inward investment. However, a recent ESRI report⁷² concluded that Ireland has less equality of opportunity for upward mobility than most other European countries. It found that relative social mobility has changed little over recent years, despite a huge expansion in education and economic growth. Related research⁷³ on income distribution concluded that on many inequality measures we remain among the most unequal country in Europe.
- 4.13 ● The *UN Human Development Report 2005* found that Ireland was one of the most unequal countries in the developed world (we were ranked 27th out of the 30 most developed countries). We also have a high level of disparity between areas of affluence and deprivation. Research⁷⁴ conducted for ADM Ltd, found that the relative socio-economic deprivation of the most urban and rural disadvantaged areas (such as Ballyfermot, Ballymun, Finglas, Coolock/Darndale, West Tallaght, and Counties Mayo and Donegal), has remained unchanged over the last decade — a period of unprecedented national economic growth. The Combat Poverty Agency⁷⁵ has also highlighted the existence of many pockets of disadvantage in counties such as Donegal, Leitrim, Longford and Mayo. The main contributory factors cited for this were unemployment; low-paid work; non-participation in the labour force; low levels of education; and lone parenthood.
- 4.14 ● **The Project Team recommends that a National Strategic Framework should be developed to provide better opportunities for vulnerable people to get into and stay at work. It's main aim would be to improve the coherence and effectiveness of the €1,000 million economic, employment and social inclusion measures currently in place. It would establish clearer links at the national level between the National Employment Action Plan and the National Plan against Poverty and Social Inclusion (and all social inclusion measures contained within the National Development Plan). The Framework should encompass the new set of integrated economic and employment guidelines within our National Reform Programme. Its operation should be reviewed on an annual basis.**

Developing an Integrated Approach

- 4.15 ● In terms of the submissions received and other work undertaken, successful best practice models of service delivery were considered to comprise a combination of measures which are:

⁷² *idem*.

⁷³ *Ireland's Income Distribution in Comparative Perspective* — Paper prepared for the 28th General Conference of the IARIW, Cork, Brian Nolan and T. Smeeding, 2004.

⁷⁴ *New measures of deprivation based on the Census 1991–2002*, T. Haase, J. Pratschke, 2005.

⁷⁵ *Mapping Poverty: National Regional and County Patterns*, Combat Poverty Agency, 2005.

- well focused with a clear set of aims and objectives;
- based on proper coordination between all the agencies involved, including responsible authorities and agencies at local, regional and national levels;
- coherent and integrated across a range of social welfare and labour market interventions;
- based on an informed understanding of local needs and conditions;
- clear in terms of the level of supports required for the achievement of positive outcomes;
- flexible and adaptable, providing one-to-one supports, group work, training inputs etc⁷⁶;
- capable of meeting gaps in the employment market; and
- can balance employer demands with relevant supports for job seekers.

Strategic Links and Inter-agency Co-operation

4.16 ● A number of recent research projects have examined the level of inter-agency work at the local level. The first of these studied patterns of inter-organisational contact and action between agencies involved in the design and delivery of labour market programmes and services in Ballymun.⁷⁷ A key finding was that there was an absence of worked out policies to support co-operation between decision makers and that a lack of indicators to measure the outcomes of inter-agency action meant that less value was placed on it. Another related project⁷⁸ undertaken in Finglas/Cabra, Dublin concluded that there were significant numbers of people who had not been able to avail of labour market opportunities and that to tackle labour market exclusion more effectively there was a need for greater co-ordination and integration of labour market services and more general social services. In Donegal, an area particularly badly affected by recent manufacturing job losses, the problem was aptly stated at a recent Business Forum which sought to address these problems.

“There are a lot of government agencies here in Donegal doing good work, but you often have to fit within certain criteria. Maybe you have to be a craft worker, or unemployed for a certain length of time, or whatever, but if you fall between these requirements, nobody picks you up. We need to catch those who fall between the cracks”⁷⁹.

⁷⁶ In this regard: *Lone Parents*, NESF Report No 20, 2001, Box 4.2 offers some best practice principles identified by local training initiatives.

⁷⁷ *Networking for Local Employment: How State and Community agencies should work together to deliver effective Labour Market Programmes – the Lessons of Ballymun*, WRC Social and Economic Consultants and Ballymun Job Centre, published by Dublin Employment Pact, 2003.

⁷⁸ *Integrated Responses to Labour Market Disadvantage in Finglas and Cabra*, by Nexus Research Co-operative, Dublin, published by the Dublin Employment Pact, 2003.

⁷⁹ *Donegal is the Business Forum*, Letterkenny, 2005.

- 4.17 ● As stated before, around €1,000 million per annum is being spent on measures aimed at helping people into work and tackling problems associated with labour market vulnerability. This expenditure comes under several different Departments. The number of different measures and agencies responsible for their delivery highlights the need for close inter-agency work. Often, however, this relies more on personal relationships than formal working relationships. The value of inter-agency co-operation is often not recognised within organisations, one reason being that its immediate benefits are not as easily measured. The Projects Team's view is that more structured form of inter-agency work need to be put in place and greater recognition given to individuals who play their role in this process. Models of local governance, featuring the involvement of social partners and civic society have been found to enhance the outcomes of labour market measures in terms of initiating experimental approaches and improvements in services.
- 4.18 ● **The Project Team recommends that local service providers (statutory and non-statutory) should form strategic links at local level to provide the full menu of supports (information, guidance, counselling, education, training, mentoring, health, housing work experience, in-work support) to support people into work and to stay at work.**
- 4.19 ● **The Project Team recommends that these links should be formalised through Service Delivery Agreements to cover issues such as sharing local labour market research; one-stop-services, identification and addressing any gaps or duplication in service provision; and the monitoring of outcomes. These agreements would be brief (30–40 pages) reviewed on an annual basis and be drawn up on a county and city basis (in Dublin there would be a number focusing particularly on areas of disadvantage). This approach should be piloted in four regions (urban and rural) in 2006 by a lead group comprising the Department of Social and Family Affairs, FÁS, VECs and the County and City Development Boards, and Partnership Companies with a view to its full implementation in 2007.**
- 4.20 ● **The Project Team recommends that this form of inter-agency working should be supported by all Departments who have a role to play in this area by:**
- **making support for inter-agency work explicit in mandates for service providers and by rewarding inter-agency co-operation through increased budgets;**
 - **including inter-agency work in the job description of staff at national and local level and by providing training and support for staff on how it can best be undertaken.**
 - **giving local service providers greater flexibility in the services they provide; and**
 - **identifying and mainstreaming learning from relevant pilot initiatives.**

Mainstreaming of Innovation and Learning

- 4.21** ● The Project Team’s view is that there often seems to be a blockage in the implementation of policy in the middle between the national and local level, leading to innovative approaches being ‘watered’ down when they are implemented and that the mainstreaming of good practice is often not incorporated into the design and implementation of social inclusion and labour market policies. As local projects have a limited capacity to invest the time and resources required to achieve mainstreaming, progress in this area is strongly influenced by the capacity of those working at national level to listen to the experience and lessons of local actors. An agreed understanding on what is meant by mainstreaming is also required. To some it means that the local pilot programme be replicated elsewhere; to others that the elements of good practice in the pilot be introduced into other relevant programmes. In reality, it may mean both of these, but more often the latter case.
- 4.22** ● The Mainstreaming Strategy under the EQUAL Community Initiative Programme⁸⁰ is an example of a more structured and coherent approach towards identifying successful innovative approaches within projects and their dissemination towards, and incorporation into, policy and practices on a wider scale. A recent EU-funded *Mainstreaming Social Inclusion* research project⁸¹ led by the Combat Poverty Agency, and with European and Irish partners (including the NESF) highlighted positive outcomes that emerge from within a mainstreaming policy-making environment. These include bringing people back into the mainstream of society, reshaping service delivery, improving access for poorer people and disseminating and up-dating learning among different levels of Government. The experience of gender mainstreaming the National Development Plan⁸² also provides many valuable lessons.
- 4.23** ● To support the mainstreaming of good practice, the Project Team believe that a Unit should be established in each Government Department with responsibility for identifying mainstreaming lessons from relevant pilot initiatives which could be incorporated into national policies and measures. Agreement is also needed on an evaluation process which would measure the overall local/regional impact and outcomes of social inclusion and labour market policies and innovative pilot activities. Resources would need to be put in place to enable such evaluation work to be carried out and the results disseminated following consultations with relevant stakeholders. Organisations should be encouraged to measure the value of their own performance using approaches such as the ‘balanced scorecard concept’ which using a balanced mix of several measures of performance both ‘process’ and ‘output’.

⁸⁰ EQUAL addresses forms of discrimination and inequality in the labour market through innovative policies and practices. It is co-funded by the EU and over the period 2001-2008 with a budget for Ireland of €34 m.

⁸¹ *Mainstreaming Social Inclusion*, EU Trans-National Project, Research Report: Phase 1, 2004.

⁸² *The Experience of Gender Mainstreaming the National Development Plan*, Administration, vol 53, No 2 2005) pages 24-44, Anne-Marie Mc Gauran.

- 4.24 ● The Project Team recommends that a systematic evaluation process should be put in place to measure the overall impact of economic, employment and social inclusion policies aimed at tackling labour market vulnerability and in identifying innovative activity which could be mainstreamed. A Unit should be established in each Government Department to identify and mainstream learning from innovative activity at the local level into national programmes and services.

Rural Differences

- 4.25 ● Certain rural areas face a problem of under-employment, particularly among farmers and small holders, women, lone parents, and older workers. A related issue is the declining viability of farming activity and the growing reliance of farming households on off-farm employment. Particular difficulties arise from a lack of alternative employment opportunities in rural areas, poorly developed rural transport facilities, and lengthy distances to some jobs. Women living in rural areas face specific difficulties such as a lack of accessible and affordable childcare and the dominance of traditional off-farm employment, i.e. manufacturing and construction leading to low female participation rates. Key actions for rural areas include an examination of the training and educational needs of vulnerable groups against local employment opportunities; provide suitable off-farm employment opportunities for farmers to complement their farming activity; and improved information on the services and supports available to people living there.

Inclusive Local Labour Market Strategies: Elements of Good Practice

- 4.26 ● Findings from the commissioned research indicate that to be effective local labour market strategies must address those difficulties arising from:
- the personal circumstances of individuals;
 - the labour market context, including the educational and skills needs of individuals and employer practices and prejudices;
 - anomalies and welfare traps that arise within the context of social policy provision; and
 - the local economic context.
- 4.27 ● These are the four policy arenas identified within which labour market dynamics combine to produce levels of vulnerability at local level. However, not all of these are amenable to local intervention. In particular, social policy factors and economic factors must firstly be addressed at the national level. The most amenable to intervention at local level are the personal factors and labour market factors. An outline of these labour

market barriers and policy arenas within which they arise is discussed later in Section V in more detail. The underlying principle of a needs-based approach is that provision is determined on the basis of the identified needs of people. The research work conceptualised what the key elements of an inclusive local labour market strategy would be. These and a number of key issues associated with them are given in Table 4.1 below.

Table 4.1 Key Elements of an Inclusive Local Labour Market Strategy

Outreach	Mechanisms must exist to ensure that all vulnerable individuals are reached and are aware of the options available to them.
Information	Comprehensive and accurate information to help people make choices based on full awareness of their options — organised and disseminated from the perspective of the user not the provider.
Guidance and Counselling	Guidance and counselling is necessary to enable individuals make informed choices and to plan the transition from welfare to work. It should be based on a combination of good individual diagnostic tools and local labour market intelligence.
Personal supports	Aspects of an individual's circumstances causing most difficulty must be addressed as part of their own labour market inclusion plan. Mechanisms must be in place to identify and respond to the needs of individuals, based on flexible provision.
Education and Training	Education and training provision should have clearly identified outcomes and progression options. The quality of provision and outcomes should be sufficiently high to attract participation.
Advocacy	Advocacy on behalf of vulnerable groups is required to address employer practices, preferences and prejudices.
Mentoring	Mentoring can support the sustainability of participation in training and in employment. It must be tailored to the specific circumstances of individuals.
Work Experience	Work experience can help individuals gain experience and demonstrate their capacity to employers.
In-Work Supports	In work supports will be necessary for particularly vulnerable people with little or no experience of workplace practices or expectations. Financial supports are also relevant here.
In-Work Training	In-work training can support better labour market integration for workers in low-skilled occupation. In the context of precarious employment, mechanisms need to be put in place to enable people improve their labour market position.

4.28 ● As will be outlined in more detail in Section V, vulnerable individuals experience barriers to employment ‘in the round’ and it is in this way that they must be addressed. Such an approach does not necessarily require the development of new labour market programmes *per se*, but rather the development of joined-up provision at local level. In the two areas selected as part of the research (Dublin City North and Counties Donegal / Sligo), the consultants did not find examples of any one programme that was providing the entire range of elements, nor did they expect to. However, they did identify a number of interventions that, through inter-agency working, were providing some (and in some cases a lot) of the elements identified here. These were:

- *Working for Work*: a yearly publication of the INOU funded by the Department of Social and Family Affairs which provides detailed and up to date information on the impact of the tax and welfare systems on earned income.
- *Farm Assist*: a social welfare payment which provides a form of income support for small farmers and which provides a model of earned / welfare income.
- *Back to Work Enterprise Allowance*: a programme which supports long-term unemployed people to set up their own businesses. This is a particularly valuable model in areas of low employment demand.
- *EVEN Programme*: a pilot initiative aimed at responding to the decline of the textile industry in Donegal by helping girls to reassess employment choices and by supporting women made redundant to develop their own businesses.
- *Regeneration Programme*: an inter-agency programme to enable local people in the Northside Partnership area to avail of new job opportunities in Tesco.
- *Linkage Programme*: an inter-agency programme to enable people coming out of prison to secure adequate forms of employment.
- *EQUAL at work project*: A programme funded by the European Union EQUAL Initiative that is addressing the needs of low-skilled workers and is piloting job rotation models.

4.29 ● Table 4.2 below provides an overview of the extent to which these interventions are providing the elements of inclusive labour market strategies identified earlier.

Table 4.2 Examples of Initiatives which provide elements of an Inclusive Labour Market Strategy

Elements	Working for Work	Farm Assist	Back to Work Enterprise Allowance	Even Programme	Regeneration Programme	Linkage Programme	Equal at Work Project
Outreach	■			■	■		■
Information					■	■	■
Guidance			■	■		■	
Personal Supports						■	
Training & Education			■	■	■	■	■
Advocacy						■	■
Mentoring			■	■			■
Work-Experience					■	■	■
In-Work support		■	■			■	■
In-Work training							■

Source: Research Work undertaken by WRC Social and Economic Consultants.

4.30 ● The following Table 4.3 highlights interesting examples of how these interventions were delivering specific elements of inclusive labour market strategies.

Table 4.3 Specific Elements of an Inclusive Labour Market Strategy

Outreach	<ul style="list-style-type: none"> ■ To recruit vulnerable individuals for its Regeneration Programme, Tesco Clare Hall circulated 34,000 leaflets locally, advertised in local media, held meetings with local community groups, and took referrals from the LES. ■ The EVEN programme organised a range of information evenings to facilitate access for people living in rural areas.
Information	<ul style="list-style-type: none"> ■ Working for Work is a comprehensive information guide for unemployed people with information on social welfare, tax, employment services etc. ■ The Linkage programme worked with the DSFA on the development of a comprehensive information guide targeted at the needs of ex-prisoners.
Guidance/counselling	<ul style="list-style-type: none"> ■ The EVEN project implemented guidance in response to the decline of the textile industry in a rural area. It provided career guidance for girls at school and self-employment counselling for women affected by redundancy.
Personal supports	<ul style="list-style-type: none"> ■ The Linkage programme integrated an assessment of personal support needs with labour market guidance. It provided support in basic life skill acquisition, and facilitates a clients' access to relevant services in the local area.
Training/Education	<ul style="list-style-type: none"> ■ Northside Partnership, with Tesco and FÁS, provided employment integration training and a 12 week FETAC certified retail sector traineeship. ■ The EQUAL at work project provided pre-vocational training prior to placing vulnerable individuals on work experience.
Advocacy	<ul style="list-style-type: none"> ■ The Linkage programme advocated with employers on their clients behalf. It also helps clients to manage information disclosure about themselves. ■ The EQUAL at work project advocated with companies to facilitate access to training for low-skilled workers.
Mentoring	<ul style="list-style-type: none"> ■ The EQUAL at work project trains existing employees as mentors for those placed with their company on work experience.
Work Experience	<ul style="list-style-type: none"> ■ EQUAL at work project created opportunities for work experience by training staff to provide cover for existing employees to be released for training.
In-Work Supports	<ul style="list-style-type: none"> ■ The Back to Work Enterprise Allowance supports vulnerable people in establishing self-employment. ■ Farm Assist is a flexible model of income support for individuals seeking to engage in self-employment, and/or part-time employment. ■ Staff from the Linkage programme provided support to both employers and employees subsequent to placing clients in employment.
In-Work Training	<ul style="list-style-type: none"> ■ The EQUAL at Work project supported companies in developing enterprise specific training programmes for workers in low-skilled jobs.

Conclusions

- 4.31 ● A coherent *National Strategic Framework* is required which would encompass all of these policy areas and deal with those barriers (such as inequalities and discrimination) and make-work pay policies which would encourage people to take up employment (full-time, part-time, temporary — whichever is the most realistic option).
- 4.32 ● The problems of labour market vulnerability can only be addressed by dealing with all the barriers which affect people moving into and staying at work. Certain barriers, particularly those to do with inequality and discrimination, must firstly be addressed at the national level. Economic and social policies are mutually beneficial and can be made to support each other. A more holistic approach is now needed to tackle unemployment blackspots and to support the re-integration of unemployed and other disadvantaged groups into employment. We need to make work a real and rewarding option for all and increase access to active labour market measures for all those seeking work.
- 4.33 ● The current range of labour market and social inclusion measures (at least thirty-eight) involves some eight government departments and thirteen different agencies as well as a range of many non-statutory bodies. There needs to be much clearer links and coherence between all these measures to avoid duplication with clients and gaps in the service provision that occur at present.
- 4.34 ● The mainstreaming of good practice should be incorporated into national policies and measures. There should be agreement on an evaluation process which would measure the overall local/regional impact and outcomes of social inclusion and labour market policies and innovative pilot activities. Resources would need to be put in place to enable such evaluation work to be carried out and the results disseminated following consultations with relevant stakeholders.
- 4.35 ● Partnership-based Strategies, based on local and regional employment strategies can best mobilise the range of supports which people need to help them into employment. They should have a strong local dimension with more examples of the transfer of learning experiences at local level to improve nationally-designed programmes. Effective local labour market strategies must be capable of meeting the full range of difficulties experienced by individuals. The underlying principle of the design and delivery of services at the local level should be a needs-based approach where a 'menu' of supports is available to fully meet people's needs.

V

Introduction

- 5.1 ● In this Section, we identify any financial and other barriers to participation in the labour market. This work draws on a number of focus group meetings that were held with *service providers* and *service users* in North City Dublin and Counties Donegal / Sligo. In that way we seek to find out what people's experiences are like on the ground. We also look at Irish and international experiences in this area with a view to seeing how those barriers to progression which often arise in the complex interface between welfare and work, can be minimised.

Labour Market Vulnerability

- 5.2 ● Research work commissioned by the Project Team indicates that labour market vulnerability is not an aberration or a left-over from the 1980s or early 1990s — rather it continues to be generated today, even in a tight labour market. Four main policy arenas- economic, social, labour market and personal (see Box 2 below) have been identified where barriers interact to produce such vulnerability. These barriers are most often experienced by an individual in a group or a cluster and an inclusive labour market strategy must be able to address all these.

Box 2

Policy Arenas where Labour Market Dynamics Create Vulnerability at the Local Level



- 5.3 ● Not all of these barriers are amenable to local intervention; in particular, social policy and economic factors, which lead to more structural inequalities in society must firstly be addressed at the national level (for example discrimination facing certain groups such as Travellers, high levels of early school leaving in disadvantaged areas and disincentives arising in the interface between welfare to work etc). An outline of these four policy arenas and the barriers arising within them is given in Box 3 opposite

Economic Factors

- 5.4 ● There are rural and urban areas where job losses in manufacturing and in farming and fishing have not been compensated for by gains in other sectors. As well as limited job opportunities in these areas there is a preponderance of lower-paid jobs. In addition, poor level of infrastructural investment, telecommunications, education, health, community facilities etc act as a serious constraint on inward job investment and business start-ups. Limited availability and poor quality of public transport was identified as a main physical barrier to employment, particularly for people with disabilities, those living in rural areas and parents unable to find employment near to childcare services and schools. A more balanced regional development policy including a greater investment in infrastructure is needed to regenerate these areas e.g. Counties Donegal, Leitrim, Mayo, and Longford, as well as urban areas in Dublin, Cork and Limerick City.

Box 3

Labour Market Barriers and Policy Arenas

Personal Support Factors	Labour Market Factors Supply side	Labour Market Factors Demand Side	Economic Factors	Social Policy Factors
<ul style="list-style-type: none"> ■ health issues ■ literacy/ numeracy difficulties ■ psycho-social problems ■ homelessness ■ prison records 	<ul style="list-style-type: none"> ■ limited information on jobs availability ■ low educational attainment ■ low-skills levels ■ lack of work history ■ language difficulties (non-english speakers) 	<ul style="list-style-type: none"> ■ informal recruitment practices ■ high minimum entry requirements ■ prejudice ■ lack of flexible working ■ lack of supports for people with disabilities/ physical access 	<ul style="list-style-type: none"> ■ lack of jobs ■ sectoral shifts ■ Low wages ■ Insecure employment in jobs with little training & prospects 	<ul style="list-style-type: none"> ■ welfare system anomalies ■ high work “participation costs” ■ childcare & other social care ■ transport

Social Policy Factors

5.5 ● These include work related ‘participation costs’ which people must take into account. They include the relatively high costs for childcare and other social care provision (particularly for those in lower-paid employment) and travel to work costs especially in disadvantaged rural areas. Where the job is low – paid, these costs act as a major financial dis-incentive. Women who seek part-time work get little savings in their childcare costs as there is often the same charge whether a place is required for a half-day or a full day. Also, there is little reduction for a second child in childcare.

5.6 ● Much concern⁸³ has been raised about the long term sustainability of community-based childcare provision in disadvantaged areas funded under the Equal Opportunities Childcare Programme (EOCP)⁸⁴. At present the EOCP contributes staffing grants of €30 million per annum to around 800 community-based childcare services. These services operate on the basis of the funding support they receive in staffing grants; FÁS employment programmes and income generated from fees charged to families (the latter generates around 40% of the overall income and works out at €95 per child per week). However, the rising cost of providing these services means that the grant support now covers a lower proportion of their costs. A long-term funding mechanism is needed to ensure the sustainability of services and to increase the level of formal training for childcare workers working in such centres. Otherwise, there is a risk that existing community childcare

83 Oireachtas Debate: Childcare Committee, Vol No.90 2005.

84 The EOCP will fund almost €500 million in capital, staffing and quality awareness programmes over the period 2000–2006 to support the development of 40,000 new childcare places (in addition to the 56,000 centre-based childcare places in existence in 2000).

centres may close all or part of their services due to lack of funding. This in turn will impact heavily on the education, training and employment possibilities of vulnerable women and their families.

- 5.7 ● **The Project Team recommends that a long-term funding model should be agreed to sustain the 800 community-based childcare services, in disadvantaged areas, which are funded under the Equal Opportunities Childcare Programme. This is vital in terms of improving the education, training and employment opportunities of those women who are highly dependent on the on-going availability of the services (Department of Justice, Equality & Law Reform, and Department of Enterprise, Trade and Employment).**
- 5.8 ● Another main barrier is the interaction between work and the means-tested benefit system, where an improvement in household income can lead to a withdrawal of benefits, leaving the household's overall financial position little better than before. A key concern mentioned for all groups of vulnerable people is the potential loss of the medical card. It was highlighted by participants at the Focus Group Meetings as one of the most valuable benefits to retain. Also, as one submission stated: *"The long-term costs of being on a low income and not having a medical card can cause financial problems to people who may neglect their own health because of the cost of attending a GP and the price of prescription drugs."*
- 5.9 ● **The Project Team recommends that a person should be able to retain their medical card for a five year (cumulative) period after returning to work.**
- 5.10 ● Lack of clear and simple information about benefit rights and entitlements, particularly on taking up employment, is contributing to levels of uncertainty about the financial impact of employment and self-employment. As an example, one participant at the Focus group meeting related how it could often take a number of weeks to get clarification from Social Welfare on what benefits they would retain on taking up work. The advice given would be to take the job and "we will sort it out later". The view was expressed that Social Welfare staff cannot keep up with the changes in an already complex system. There have also been reported cases of people starting education courses and then leaving because of uncertainty around whether they could retain their secondary benefits.⁸⁵ As one submission stated *"The perception of an unemployment trap may be sufficient to deter an individual from seeking employment or accepting a job opportunity. In addition, local discrepancies in the rules applied exacerbate both the scale of the unemployment trap and uncertainty about it"*.

5.11 ● The Project Team recommends that the Department of Social and Family Affairs and FÁS (with the support of Comhairle, Money Advice and Budgeting Service and local representatives of the range of marginalised groups) should provide a ‘one-stop information service’ for people seeking employment or taking up training, education or employment programmes. This should provide clear information on which benefits and supports people should expect to retain when taking up employment or on participation in programmes.

5.12 ● Recent case studies in a report compiled by the Northside Partnership⁸⁶ illustrate the frequency with which ‘poverty traps’ can arise (it most often occurs in means-tested systems such as ours where an increase in household income results in a withdrawal of benefit leaving the overall financial position not much better than before). Their report concluded that the more complex the welfare system, the more difficult it is to foresee and counteract such poverty traps. The case studies highlighted the following examples:

- A general problem arises from the absence, or tardiness, in ‘indexing’ benefits and thresholds to take account of rises in prices and / or wages. This substantially reduces the effectiveness of benefits such as the tapering of rent supplement.
- Programmes for the long-term unemployed and the disadvantaged are usually targeted by duration of unemployment or age — but this is seen as being contradictory to the principle of good labour market policy as it can lead people to wait until they qualify for the time. For example, the Vocational Training Opportunities Scheme (VTOS) requires a participant to be six months unemployed and has age-related criteria.
- Young people who have left school are presenting themselves for education programmes at second level through Youthreach. Often, however, they cannot access the service due to restrictions on age and numbers.
- Individual teenage Lone Parents who wish to complete second level education are denied assistance with childcare funds from Community Welfare Officers (CWO) if their children are not of school-going age.
- People on Disability Allowance are allowed to work up to 20 hours per week and earn €120 per week before their payment is affected. Above that amount earnings are deducted euro for euro from their Allowance payment.

Similar findings have been highlighted in a recent report “Out of the Traps” by OPEN and EAPN, December 2005.

86 Policy Issues Inhibiting the Client Base of Northside Partnership, Northside Partnership Company, 2004.

- 5.13 ● FÁS gave an example whereby it had to negotiate the retention of 27 different secondary benefits with five different agencies on behalf of participants on its employment support scheme for disabled people. Essentially, this is the process which has to be undertaken whenever any new programme is introduced. Discussions at the client focus group meetings held in Ballymun and Donegal highlighted that people on social welfare payments who had built up an entitlement to secondary benefits and medical card had a fear of losing them by taking up training, education and or work progression opportunities. Even where it was possible to retain secondary benefits under current guidelines regarding people who returned to education, training or work, people felt that it was not being made clear enough to them beforehand and that the system is too complex even for the staff to understand.
- 5.14 ● **The Project Team recommends that an individual should retain all their existing secondary benefits (for an agreed period of time, say, five years) when they take up training, education or work. This work should be undertaken by the Department of Social and Family Affairs.**
- 5.15 ● **The Project Team recommends that a user-friendly, index-linked, 'cost of participation payment' should be introduced, whereby people would retain (for an agreed cumulative period of time, say five years), the consolidated value of all their existing monetary secondary benefits on entering either training, education or work. This would both minimise a main financial barrier to progression and greatly simplify payment and administration arrangements. It should be designed by the Department of Social and Family Affairs acting with other relevant Departments, taking into account the existing array of evaluations and reviews. This 'cost of participation payment' should be piloted in 2006 in four areas (urban and rural) and evaluated with a view to it being mainstreamed.**
- 5.16 ● **The Project Team recommends that the household income threshold for the retention of secondary benefits should be index-linked to the annual increase in the level of average earnings.**

Labour Market Factors

- 5.17 ● In the local Labour market, barriers which arise include; where job vacancies advertised through informal networks by 'word of mouth' place those out of work at a disadvantage; high minimum entry requirements for jobs; a lack of employment supports for those at work such as people with a disability; and a lack of flexible work-life arrangements particularly within some newer service sector jobs. In the submissions made, attention was drawn to groups who have experiences of discrimination, namely, Travellers, people with disabilities, older people, migrant workers, asylum seekers and refugees, and ex-prisoners. The changing nature of the employment market, where the concept of 'employability for life' is replacing that of a 'job for life' highlights the importance of lifelong

learning. A key priority should be to assist people to acquire new knowledge and skills throughout their careers in order to maintain their employability over time.

Personal Factors

- 5.18 ● Finally, there are personal factors which act as barriers to people taking up and staying in employment. These include health and disability problems; poor literacy / numeracy levels; homelessness; family-breakdown; previous prison record; addiction problems; and more generally a lack of previous work history. Low levels of confidence and self-esteem were identified in submissions as major obstacles particularly for people with disabilities, ex-prisoners and people with drug and/or alcohol dependencies. Their progress can often be affected by any set backs they may encounter. This should be taken into account by service providers in the design, delivery and development of all aspects of their services.

Categories of Vulnerable People

- 5.19 ● Three main categories of vulnerable people were identified in the project work. At the most marginalised level are people whose skill and educational difficulties are accompanied by health and disability problems; low self-esteem; and in some instances particularly acute problems such as addiction; prison records and homelessness. These people require a wide range of supports to help them into and retain a job (either full-time, part-time or temporary work — whichever is suitable for them). These supports are most often provided by different agencies highlighting the need for close inter-agency co-operation on a case-by-case basis to address the multiple barriers that such people face.
- 5.20 ● Secondly, there are those people who are ‘displaced’ from the labour market, including those with low-skill and / or poor educational levels (such as early school leavers, some lone parents, or some women returners); those with obsolete skills (including those being made redundant, some women returners and the older unemployed) and immigrants whose qualifications may be unrecognised here. For all these people, supply-side interventions, such as training, education and work-experience programmes, continue to be highly important.
- 5.21 ● Thirdly, there is a cohort of workers who are in insecure employment with few opportunities for workplace training and progression which is reflected in an increase of those that can be termed the ‘Working Poor’. These people face relatively high work disincentives arising from costs for childcare; transport and also the potential loss of means-tested benefits. For some *service providers* they comprise a growing category, particularly now among men (in the past it had mainly affected women). These people

are not currently the focus of any specific policy and often do not sign on between jobs, thus not appearing in the unemployment figures.

- 5.22 ● Research by the European Foundation for the Improvement of Living and Working Conditions entitled *Working Poor in the European Union*,⁸⁷ examined the assumption that paid labour is one antidote to falling into poverty. They concluded that increasingly this is not the case. A recent ESRI Study⁸⁸ found that the number of work-rich households (where all adults of working age were employed) that fell below the 60% of median income line (a measure of the incidence of income poverty) constituted 14% of all those households in that category, a rise from 7 % in 1994.

Personalisation of Services

- 5.23 ● To help vulnerable people access and progress in jobs all *services providers* need to be more fully geared towards meeting people's needs. This is a main message which has come both through the Focus Group meetings and submissions made. Essentially, as in business terms, this means treating the client as the customer. However, in the case of public services delivery this may often not be the case i.e. where 'one-size-fits all' services are all that there are on offer-or only at times and locations that suit the *service provider* — and there are still many examples of this. The standards and quality of services can also be quite variable and there is much evidence that level of public services is poorer in many disadvantaged areas than elsewhere.
- 5.24 ● The main elements of this personalised service approach would be;
- *Making it easier for people to access to the services they need*
Service providers need to work together in a partnership network and form 'gateways' to the full range of supports that people require. They should have the flexibility to design and deliver services to meet individual needs.
 - *Giving people more choice over the options to meet their needs*
People should have a greater choice about the specific package of supports that would best help them. This 'menu' of services would include guidance; counseling; personal supports; education; training; advocacy; mentoring; in-work supports and in-work training etc.
 - *Giving people a more direct say on how services for them are shaped*
Service providers should establish regular formats to listen to their client's views and use this information to help improve the design of their services and supports. People should be provided with clear information about service performance to help them judge the value of available supports and services.

87 The definition of "Working Poor" used was those workers living in a household where at least one member works and where household income (including social transfers and after taxation) is still below the poverty line (60 % of the median equivalised income).

88 *Work-Poor Households: The Welfare Implications of Changing Household Employment Patterns*, H. Russell, R. Layte, B. Maitre, P. O'Connell, T. Whelan, ESRI, 2004 – Table 4.2.

— *Provide a continuum of support for people between unemployment and work*

Given the complex nature of the interface between unemployment and work the role of the National Employment Service should act as an 'intermediary body' and mediate appropriate supports (from different agencies) for people. Such a service is essential in terms of working out an individual's potential loss of means-tested benefits, effects of any taxation; the availability and effect of in-work benefits and any other supports for childcare, housing and transport particularly.

5.25 ● **The Project Team recommends that all service providers should develop a more people-centred approach to service delivery. The main elements of this more personalised approach should be;**

— **making it easier for people to access the services and support they need;**

— **giving people more choice over the specific package of supports to meet their needs;**

— **giving people a more direct say on how services for them are shaped; and**

— **providing a continuum of support for people between unemployment and work.**

5.26 ● **The Project Team recommends that a personalised approach to the delivery of services should be included in the Customer Charters and Business Plans of those agencies and bodies (statutory and non-statutory) who have a role in helping people into work. These should be drawn up in terms of specific standards to measure any improvements in the quality of service delivery (Department of Social and Family Affairs, Department of Education and Science, Partnership Companies, Health Boards, Local Authorities, FÁS etc).**

International Experience

- 5.27 ● A recent OECD Study, “*Extending Opportunities: How Active Social Policy can benefit us all*” (OECD 2005) concluded that the biggest challenge today, is in helping low-skilled people keep and progress in their jobs. Early evaluations suggest that a balanced approach, which combines making in-work pay policies with a broader set of interventions to build their human capital and earning potential, is effective in relieving poverty and increasing employment among the less-skilled.
- 5.28 ● In most OECD countries the net income of social assistance recipients (with no other income) can often leave their incomes on taking up a job, below the poverty line. Countries with a high statutory minimum wage ensure that full-time employees are less affected by income poverty than in other countries. The minimum wage in Ireland is set at around 50% of the Average Production Worker Wage (APW) — in the upper range among EU countries (France being the highest set at 62%). Around 3% of full-time workers here have earnings at the minimum wage level (2 % of male workers compared to 4% for women workers)⁸⁹. In most countries, in-work earnings required to escape poverty are found to be around 50–60% of average earnings in the case of single-person households. A few countries i.e. Australia and New Zealand, through a combination of low tax burdens and low benefit claw back rates for those seeking to supplement their benefit income with income from work, succeed in making even low wage employment, below 40% of average earnings, viable as a strategy to exit poverty.
- 5.29 ● In Ireland, the main in-work payment support payable to those with children who take up low-income employment is the Family Income Supplement (FIS). However, the actual draw-down rate for this payment is significantly lower than it should be. It is estimated that only one-third of those entitled to this payment actually apply for it. A similar in-work benefit in New Zealand has a 92% take-up rate, achieved through a system of automatic payout to a person based upon their social welfare and revenue records. The lessons from this could help to increase uptake rates of FIS here.
- 5.30 ● **The Project Team recommends that there should be a reform of State supports to ensure the minimisation of welfare to work disincentives and to simplify entitlements (taking into account current and recent reviews and evaluations). This should include an automatic payout of Family Income Supplement for those people with children taking up low-paid work based upon their social welfare and revenue administrative records. The design of the Family Income Supplement itself should be examined to see whether its effectiveness could be improved (taking into account the trends towards reduced family size, more forms of atypical work etc). This work should be undertaken by the Department of Social and Family Affairs, Department of Finance and the Revenue Commissioners.**

89 *Minimum Wages 2005: Major differences between EU Member States*, Statistics in Focus, 2005.

- 5.31 ● A recent OECD paper⁹⁰ highlighted a number of policy interventions that could potentially improve the take-up of welfare benefits (such as Family Income Supplement). These mainly relate to overcoming administration and information barriers which are the most important factors deterring eligible individuals from applying for benefits. The OECD highlight a few measures which could be beneficial such as a general simplification of the procedures necessary for applying; by having the official who is already in contact with the potential beneficiary for other reasons, assist them in filling application forms; and that the screening of applications should be transparent in order to reduce the uncertainty involved in claiming welfare assistance.
- 5.32 ● Advertisement campaigns aimed at informing potential beneficiaries about the existence of welfare benefits that respond to their needs, as well as the procedures for applying, could also improve take-up levels (the experience of the *Outreach Programme* introduced in Canada in 2000 was cited as having encouraging results). The OECD review also suggests the existence of significant interactions both among different welfare programme, and between the welfare and the tax system. Receiving one benefit typically makes it more likely that the same person will also apply for other programmes. It concludes that the careful design of the rules and regulations on eligibility for multiple programmes could both increase information and take-up (as well as reducing fraud by the non-eligible. It cites the examples of ‘one-stop services’ introduced in several OECD countries — where individuals who apply for one benefit are automatically informed about other programmes they are eligible for could significantly increase take-up rates.
- 5.33 ● Finally, there is the need for better empirical evidence and research to inform policy makers of the measures that will be most effective in reducing the extent of non take-up (the UK is regarded as the best country in terms of producing official estimates of take-up rates, with their Department of Work and Pensions using administrative records to count both recipients and eligible persons).
- 5.34 ● **The Project Team recommends that the Department of Social and Family Affairs should undertake a research programme to provide evidence on measures most effective in helping to support people from welfare into work, including an analysis of the flow of people into and out of unemployment and the take-up rates of in-work benefit. This work should be published on an annual basis.**
- 5.35 ● In early 2005, the New Zealand Government⁹¹ announced their intention to replace their existing working age benefits (seven main benefits in total) with a ‘*Single Core Benefit*’ by 2007 / 08. This will be accompanied by enhanced employment services (outlined later in the report in Section VI). There will be extra add-on payments for people both in and out of

90 *Take-up of Welfare Benefits in OECD Countries: A Review of the Evidence*, Working Paper 17, 2004.

91 In 1998, New Zealand integrated their benefit administration and public employment services into a single agency called *Work and Income*.

work to support people with higher costs because of needs such as accommodation, childcare or disability. The aim is that no one will be financially worse off as a result of these changes. These are the most significant reforms in their welfare system since 1938. It is seen that with unemployment levels at record lows and a strong labour market (similar to the situation here) there has never been a better time to refocus the benefits system.

- 5.36** ● Currently the services that clients in New Zealand receive are determined by the type of benefit they are on and how long they are on it (similar to the situation here). Under the new system, each client's individual income support, employment, education and training needs will be identified. They will then receive the services to meet their needs, regardless of their benefit type or length of time on benefit. This recognises that the financial costs of having a disability do not disappear because a person has a job. These changes are being piloted in twelve areas before it is rolled out further. While there are many practical issues to be dealt with, it would be a relevant pilot for us to follow in terms of what we can learn to improve our welfare to work system.

Workplace Strategies

- 5.37** ● While there has been legislative changes introduced here to improve career leave and provide better protection for part-time workers, there is still scope for further development. The *IBEC Human Resources Management Survey 2004* found that over three-quarters of companies surveyed had some form of flexible working arrangements in place and that some 45% had increased their usage of flexible arrangements since 2004, with the most common forms being part-time working (60% of companies), flexi-time (40%), job sharing (30%), career breaks (26%) and personalised hours (24%). The incidence of flexible working arrangements is highest in large companies, in unionised and in Irish-owned companies. Almost half of the firms surveyed indicated an increase in demand from staff for such arrangements. Companies' primary objectives for using flexible working arrangements were to retain staff and to improve staff morale and commitment.
- 5.38** ● An integrated equality and diversity strategy can help to mobilise the potential of under-represented groups in the labour force⁹². It is recognised⁹³ that there is a strong business case for such a strategy which can help to give Irish firms the edge over their competitors within an increasingly globalised marketplace. Recent research⁹⁴ shows that not only do equality policies entail direct benefits for employees, such as reduced

⁹² *Building an Inclusive Workforce*, The Equality Authority, 2004.

⁹³ Presentation by Brendan McGinty, Director of IR & Human Resources, IBEC, at the Equality Authority Symposium — *Planned and Systematic Approaches to Delivering Quality in the Workplace*, Dublin, 2005.

⁹⁴ *Equality at Work? Workplace Equality Policies, Flexible Working Arrangements and the Quality of Work*, Philp O'Connell, Jane Russell, ESRI, 2005.

work-related stress; they can also lead to increased job satisfaction and greater commitment which is likely to also have a positive effect on organisational performance. The IBEC Survey 2004 found that only 13 % of companies surveyed had formal diversity management policies and that around 15% have a formal equal opportunity policy.

- 5.39 ● By way of going forward on this issue, submissions expressed strong support for the more widespread introduction of arrangements already in place in the Civil Service, i.e. flexi-time, distance working, job sharing and term-time working. In general, there was much support for the introduction of ‘family-friendly’ or ‘work-life balance’ policies. In the focus groups, several people (mainly women), spoke about the inflexibility of their work situation to requests for changes in their hours of work in order to meet family care arrangements. Working mothers and fathers without a stay-at-home partner require different work arrangements and supports than those for a more ‘traditional’ household. The type of work patterns in new service sector jobs such as in the retail / hotel sectors often require employees to be available for a set number of hours each week in a flexible way to meet the needs of the business, making it more difficult for them to reconcile their family care responsibilities.
- 5.40 ● Retention policies at work have a big part to play in helping people, who experience health and medical problems, have family / care responsibilities or through age cannot carry out the same kind of work, to keep a firm attachment to the workplace and continue to make a valuable contribution. They will have an increasingly important role to play, given that the age profile of the workforce will become older over the next decade. These include both information on retention strategies and the specific supports which can help individuals⁹⁵.
- 5.41 ● **The Project Team recommends that the business case for employers implementing integrated equal opportunity / diversity strategies, work-life balance practices (taking account of childcare, disability and elder care needs) and retention policies (particularly for older workers and those who acquire a disability) should be developed in a coherent way. It could be promoted and recognised by an award. Employees and employers should be informed about the incentives available for implementing these workplace strategies. This work should be undertaken by Employers and Trade Unions in co-operation with FÁS, the Equality Authority and the National Disability Authority.**

⁹⁵ The IBEC/ ICTU *Workway Disability and Employment Guideline*, 2004 provide valuable examples of how this can be done for people with disabilities in the workplace.

Conclusions

- 5.42** ● A main concern for many vulnerable people is the interaction, between work and the means-tested benefit system, as well as relatively high work-related costs for childcare, transport etc. Moving into work can result in the partial or complete withdrawal of secondary benefits, discretionary payments etc. This problem has been exacerbated in recent years by the growing complexity of the system and the lack of indexation in the level of income disregards before secondary benefits are lost. The main problem would appear to be that poverty traps are being caused by too fast a withdrawal of secondary benefit on taking up work. A main concern is the potential loss of the medical card especially for families with children.
- 5.43** ● It is timely for a fundamental re-appraisal of State supports provided to encourage people to take up employment. A main in-work benefit, the Family Income Supplement (FIS) aimed at supporting those in low paid jobs is only being taken up by one-third of those who are eligible (whereas a similar in-work benefit in New Zealand has a 92% take up).
- 5.44** ● The high cost and general shortage of both childcare provision and other caring needs is a major barrier to employment, particularly for women. There is concern about the sustainability of 800 community-based childcare services in disadvantaged areas.
- 5.45** ● In terms of relieving poverty and increasing the employment prospects of those most vulnerable people in the labour market, a balanced approach, which combines effective making work-pay policies (which minimise financial barriers to taking up work), with a broader set of interventions to build up their human capital and earning potential, is the most effective.

Workplace Strategies

- 5.46** ● There is much scope for the implementation of strategies to promote the access and retention of people at work. Integrated equal opportunity and diversity strategies (as highlighted by the *Forum on the Workplace of the Future* report by the National Centre for Partnership and Performance⁹⁶) can help to mobilise the potential of under-represented groups in the labour force as well as improve a firm's competitiveness. Work-life balance practises benefit both the individual worker and the business. They support the retention of skills and the development of the workforce within an enterprise. However, there is reluctance among some service sector firms in growth areas of employment towards introducing more flexible work-life balance practices. Retention policies at work have a big part to play in helping people, who experience health and medical problems; have family/care responsibilities etc, to remain at work and continue to make a valuable contribution.

96 idem.

Personalisation of Services

5.47 ● To help vulnerable people access and progress in jobs, all *service providers* should be more fully geared towards meeting people's needs. Essentially this means treating the client more like a customer rather than the beneficiary of the service. However, in the case of public services delivery this is often not the case i.e. where 'one-size-fits all' services are all that are there on offer — or only at times and locations that suit the service provider. The standards and quality of services can also be quite variable depending upon where a person lives and there is much evidence that the level of public services is poorer in many disadvantaged areas than elsewhere. The main elements of this more personalised approach would be;

- Making it easier for people to access the services they need.
- Giving people more choice over the options to meet their needs.
- Giving people a more direct say on how services for them are shaped.
- Provide a continuum of support for people between unemployment and work.

VI

Introduction

- 6.1** ● In this Section we examine and make recommendations on a number of new performance indicators for the National Employment Service (which is comprised of two strands — FÁS Employment Service and the Local Employment Service). We also make proposals around access to the range of training, education and employment supports provided. The Service has a crucial role to play in providing a ‘gateway’ to employment for all those seeking work. How its performance is measured is crucial in ensuring better outcomes for those seeking work.

Changing role of the National Employment Service

- 6.2** ● Over recent years the work of the Service has changed significantly. However, there has been little change in terms of how its performance is measured and evaluated. The current main measurements of its effectiveness are placement outcomes for different target groups and Live Register impact. A review⁹⁷ of the two strands of the Service — the FÁS Employment Service and Local Employment Service (LES) was completed in 2003 and a number of measures have now been put in place to give effect to its recommendations.
- 6.3** ● FÁS have recently signed contracts with the Partnership Companies in relation to each individual Local Employment Service (LES). These spell out the range and nature of activities the LES can engage in and establish targets in terms of client base, client throughput and levels of placement each year. The LES now report to FÁS and no longer have the direct contact with the Department of Enterprise, Trade and Employment which they previously had. The two dual strands of the National Employment Service are not, therefore, equal in terms of inputting into policy that helps to shape up service delivery.

⁹⁷ A *Review of the National Employment Service* by Fitzpatrick’s Associates (April 2003 – not published) prepared for the Department of Enterprise, Trade and Employment, recommended that its performance be monitored through a much-improved suite of performance indicators (capturing the different stages of interactions with clients) and a more effective Management Information System.

- 6.4** ● With the fall in the level of unemployment, the Service is increasingly engaging with those who have many employability difficulties. An outline of the barriers that people face was outlined earlier in the report in Section V. As also mentioned earlier, the number of redundancies has also increased rapidly in recent years, with the Service being given a central role in Taskforces set up to deal with specific local redundancies.

National Employment Action Plan Process

- 6.5** ● The Service is at the centre of the National Employment Action Plan (NEAP) process under which people reaching six months unemployment on the Live Register are systematically referred by the Department of Social and Family Affairs (DSFA) to FÁS for interview. This process (which has also been implemented by other Public Employment Services across the EU as part of their National Employment Action Plans), commenced in 1998 for all those under 25 years and was progressively extended to all other age groups passing the six months threshold on the Live Register.
- 6.6** ● For 2004, a total of 52,330 people were referred to FÁS under the NEAP process.⁹⁸ These went through a ‘Caseload Process’ consisting of three phases — action planning; implementation and evaluation; the time spent in each varying from client to client. A personal action plan is developed and agreed for each client. As can be seen from Table 6.1 below, the proportion of those referred who were actually interviewed under the process averaged around 66% over 2001–2004. A third of those referred did not attend for interview, reflecting an element of non-cooperation, normal exiting from the Live Register; and the impact that the referral letter may have had on people to intensify their job search activities. The proportion of those interviewed that were known to have found jobs or were placed on FÁS programmes declined over the period from 39% to 28%.
- 6.7** ● One factor in this may be the progressive rolling out of the NEAP process to the older long-term unemployed. In the absence of a survey of all participants, the destination of referrals is not known apart from whether they are on the Live Register or not. A partial evaluation of the NEAP undertaken by the ESRI and Goodbody Consultants in 2002 stated that they could not identify what proportion of those exits from the Live Register would have been achieved in the absence of the intervention, given the decline in long-term unemployment that occurred from 1998 onward.
- 6.8** ● A recent review⁹⁹ of the National Employment Action Preventative Strategy commissioned by the Department of Enterprise, Trade and Employment, suggests that the NEAP process has led to an improvement in exit probabilities from the Live Register of between 10% to 20%, leading to an estimated gross social welfare savings of €50 million in 2004 (and a net savings of some €35 million, taking into account estimated NEAP costs of approx €15 m for the year).

⁹⁸ *Employment Action Plan, Monthly Progress Report No. 76*, DETE, January 2005.

⁹⁹ *Review of the National Employment Action Plan Preventative Strategy*, Indecon Economic Consultants, May, 2005 – not published.

Table 6.1 National Employment Action Plan: Summary of Outcomes 2000–2004

	2000	2001	2002	2003	2004
Numbers Referred	24,400	22,500	31,020	43,600	52,330
Number of Referrals who left Live Register (LR)	16,705	13,580	17,960	25,185	30,130
% of Referrals who left LR	68.5%	60%	58%	58%	58%
Numbers Interviewed	16,835	14,780	19,500	28,648	35,140
Numbers interviewed as a % of Referrals	69%	66%	63%	66%	67%
Number of persons interviewed who were placed in Jobs or Programmes	6,615	5,135	6,625	8,450	9,720
The % of those interviewed who were placed in Jobs or Programmes	39%	35%	34%	29%	28%
Non-Attendees	5,840	5,730	8,425	12,050	13,045
Non-Attendees as a % of Total Referred	31%	25%	27%	28%	25%
Non-Attendees now off LR	4,540	4,205	6,100	8,965	9,930
% of Non-Attendees now off LR	78%	73%	72%	74%	76%

Source: Monthly Reports prepared by the Department of Enterprise, Trade and Employment.

- 6.9** ● Despite developments such as the FÁS High Supports Process (where there is a budget of €2,200 to spend on supports for a client experiencing major difficulty) and the Pathways Programme (a two-week group guidance programme), the consultants recommended a fundamental assessment of those clients considered ‘non-progression ready’. In 2004 there were some 2,510 ‘non- progression ready’ clients, only 15% of whom were referred to the FÁS High Support Process. These people were described as having a range of issues such as lack of education, literacy problems, alcoholism and emotional / psychological problems etc.
- 6.10** ● As part of Indecon’s Review, a survey of NEAP participants was undertaken. There were positive responses from them in terms of it having improved their confidence, helped them to identify job opportunities; how to present themselves at interview etc. However, some 59% responded that the process had not helped them get a job, while 24% thought it had helped a little and 17% felt it had helped a lot. Also, a significant minority of respondents (44%) felt that the process had not given them any new job skills; three-quarter responded that it had not improved their literacy / numeracy skills; and 32% were dissatisfied with the training and employment supports available. A notable minority of respondents (24%) felt that the process was of little help and 41 % believed that FÁS had little to offer them.

The consultants envisage that the end of the NEAP intensification process should release resources that could be used for other measures. However, the above significant level of negative response calls for a radical examination into how the process is working and how it could be improved before considering its expansion to any other groups.

International Practice

- 6.11** ● Here we look at the development of Performance Monitoring Systems in other countries and in particular the examples of New Zealand, United Kingdom and Australia all of whom are cited by the OECD in their *Employment Outlook 2005* report. A main focus of this report is on how Public Employment Services can assess the impact of their labour market programmes and use this information to improve them. It concluded that in most countries, performance management principles were not applied in a systematic way and that expensive programmes which have little or no impact may continue to operate indefinitely.
- 6.12** ● A main recommendation made by the OECD is that countries should measure employment and earnings outcomes from their programmes (while assuring individual data protection), as opposed to their current focus which is mainly on how many people have come off benefits (as for example is the case for the Irish National Employment Action Plan, with its focus on those on the Live Register).
- 6.13** ● In terms of specific examples, the OECD cite the radical changes of labour market policy in New Zealand in 1998, with the integration of their benefit administration and employment services into a single new agency called *Work and Income* and the introduction of internal targets for placements into stable work (defined as work lasting more than three months). By 2001 the number of job placements achieved had doubled. These changes were accompanied by the introduction of a package of activation programmes in 2003 which included “*Work for you*” seminars for potential new claimants of benefits. These reinforced the message that work was available and should be considered before benefit payments and were implemented in selected areas of the country. Participation in the seminars was voluntary.
- 6.14** ● By 2004, benefit applications had fallen by between 10%–20% in these areas and the programme was extended nationally. Half of those who attended the seminars decided they did not require an unemployment benefit. Other initiatives introduced were the contracting of specialists to work on a one-on-one basis with people who had been without work for several years; a programme to give the long-term jobless training linked to those industries with labour and skill shortages and employment coaching for skilled and work-ready people.
- 6.15** ● In early 2005 the New Zealand Government announced their intention to introduce a *Single Core Benefit* payment by 2007 (outlined in Section V — Removing Barriers to Work) to replace seven existing main benefits.

There will be add-ons to this single payment to support people with higher costs because of accommodation, childcare or disability. This major reform is linked to an enhanced employment services with two distinct streams: one for people who are ready and able to work to help them return to full-time work, and the other for those who need a more gradual transition to work — either full-time, part-time or intermittent work, whichever is a realistic long-term option.

- 6.16 ● In the UK, from April 2002, *Jobcentre Plus* replaced *Employment Service* and those parts of the Benefits Agency which helped people of working age with benefits. Its stated role is to help people into work; to help employers fill their vacancies and to give people of working age the help and support they are entitled to if they cannot work. A key part of the UK Government strategy since 1998 is the *New Deal* Programme which aims to give people the help and support they need to look for work including training and job preparation. All clients on *New Deal* get a personal advisor who is their point of contact throughout the programme. There are *New Deal* Programmes for young people, older people, disabled people and lone parents. *Jobcentre Plus* has an *Annual Performance Agreement* which defines multiple performance targets to be achieved. The OECD also cited the UK example of carrying out impact evaluations of their programmes.
- 6.17 ● In 1998, most public employment services in Australia were replaced by the *Job Network*, which in the first two-year contract period delivered services through about 300 contracted organisations. At first these organisations were paid according to placement outcomes but it was recognised that these did not reflect differences in jobseeker characteristics and local labour market conditions, and there has been a move towards measuring impacts, which fully take into account these differences. A “*Star Ratings system*” for measuring the success of providers was first published in 2001. It is currently based on the number of client entries to jobs of at least three months duration, with increased weights placed on job entries by the long-term unemployed and the very long-term unemployed. This system made it possible for providers to assess their performance and to change strategy, and for the Government to select providers on the basis of their performance.
- 6.18 ● The OECD quote substantial performance improvements attributed to the introduction of this “*Star Rating system*”. The total number of three – month employment outcomes achieved by *Job Network* clients doubled between 2002 and 2004. In Australia (and the UK), private service providers have to obtain written confirmation from employers to support their claims for initial hires and for employment outcomes. However, the OECD recommend that countries should, where possible, match benefit data with tax data so as to be able to track long-term employment and earnings outcomes from their programmes.

Client Profiling

- 6.19** ● Two recent research exercises undertaken here in Galway and Waterford¹⁰⁰ and in Ballymun and Ballyfermot in Dublin¹⁰¹ indicate that a client profiling process could help to identify the specific problems affecting a person's employability; which client to intervene with earliest so as to prevent their problems becoming more chronic; and how their needs could be best met. Employability should be seen as not just about increasing skills but also about overcoming a whole range of barriers, outlined in Section V of the report that may prevent people from accessing jobs, remaining in stable jobs and increasing incomes.
- 6.20** ● Systems of Profiling have been used by Public Employment Services in several countries (such as in the United States in the Worker Profiling and Re-employment Services). Their main purpose is to assess the level of risk of a person remaining unemployed, either new entrants to unemployment or among the stock of existing unemployed, and to make resource allocations on that basis. For the benefits of a client profiling process to be realised, it is necessary to have the service in place which can address the differing needs of clients. This was a problem experienced in client proofing exercises carried out in the USA. Another concern is that service providers might decide to avoid dealing with those clients identified as having many employability difficulties. However, this concern could be met by an explicit policy decision from Government that resources should be directed at those people most in need.
- 6.21** ● An important finding from the client profiling exercise carried out in Ballymun and Ballyfermot was that that people with multiple employability difficulties were able, following appropriate support, to access part-time employment.

Equality Proofing

- 6.22** ● Equality proofing¹⁰² also has a key role to play in terms of promoting equal opportunity of access and outcomes for people and ensuring that due consideration is taken of any barriers which may arise in eligibility criteria and/or the design of programmes. There needs to be a commitment to act and monitor the implementation of the equality proofing process. The process must also take into account the socio-economic position of individuals from disadvantaged areas / family backgrounds. The participation and involvement by marginalised and disadvantaged groups in the development and implementation of equality proofing mechanisms should be encouraged. (FÁS are promoting an "Equality Proofing Guidelines for Local Activity" in all their Employment Services locations).

¹⁰⁰ *Profiling the Unemployed: An analysis of the Galway and Waterford Live – Register Survey*, R. Layte and P. O'Connell, ESRI Policy Research Series, Number 55, 2005.

¹⁰¹ *Ballymun / Ballyfermot Local Employment Services Client Profiling Exercise*, 2005.

¹⁰² For a detailed analysis see *Equality Proofing Issues*, NESF Report No 10, 1996.

Proposals for New Performance Indicators

- 6.23** ● The following proposals for new indicators to measure the performance of the National Employment Service (both FÁS and LES) take into account the submissions received, research work undertaken, discussions and reference material. There are two strands to the National Employment Service i.e. FÁS and LES. They both deal, on a collaborative basis, with a different client base, with the LES concentrating on people with greater employability difficulties. In terms of setting performance targets for each strand, the profile of clients accessing services needs to be taken into account as well as the measurement of their placement.
- 6.24** ● As already mentioned, the two strands of the National Employment Service are not equal, in that the LES is contracted through the Partnership companies to FÁS for the services it delivers, and does not have the direct contact with the Department of Enterprise, Trade and Employment that it once had. This relationship needs to become more equal and it would be beneficial if the LES were given direct contact with the Department, along with FÁS, so as to provide an input (from its experiences) into policy development on the shaping up of services.

First Indicator: Measuring how well employability needs are being met

- 6.25** ● This indicator would measure how effectively the Service helps to improve the employability of a client (whether for jobs that are full-time, part-time or temporary etc, whichever is a realistic option). It would broaden out the main current measurement of performance, with its focus on recording placements into employment, to one that captures improvements in a person's employability readiness (which will translate into a placement in time).
- 6.26** ● A client profiling process could be used to identify which client to intervene with earliest, when and how. Equality proofing also has a key role to play in terms of promoting equal opportunity of access and outcomes for people and ensuring that due consideration is taken of any barriers which may arise in eligibility criteria and/or the design of programmes.

Second Indicator: Measuring the sustainability of jobs

- 6.27** ● This indicator would measure the sustainability of jobs that people are placed into (particularly those low-skilled clients). It would look at the nature of their jobs, training being given, what they earn and whether they are still in work in six-months etc. This information could be used in a proactive way to ‘follow-up’ with individual clients who take up a job to provide them or their employer with any additional supports that could help sustain them in their jobs (examples of this approach are the job coaches on the Supported Employment Programme and youth advocates with Community Training Centres).
- 6.28** ● People who have been out of work for a period of time often would benefit from this ‘follow-up’ support during their early period of employment. It could include advice on training, education supports and / or be about in-work benefits or employment supports that they may be able to apply for or retain. It may be about helping the employer resolve any problems that come up or link them to other services that can help. This type of ‘follow-up’ support could be provided for the initial three to six months period after the person takes up the job. At present there is little such ‘follow-up’ support for low-skilled clients, with the Service only engaging with the person up to the point that they take up a job and only then re-engaging with them if they were to become unemployed.
- 6.29** ● The practical benefits of this ‘follow-up’ approach can be seen in several other countries such as New Zealand where the recent coming together of their Benefits Agency and Employment Services and a more pro-active case-management approach, involving ‘job-brokers’ following up with employers on individual clients, has significantly increased the number of disabled people getting work. The ‘job-brokers’ role is to work with the employer to help identify solutions to real / or perceived barriers to employment for individual clients¹⁰³. A similar role is carried out by a Personal Advisor in the UK by their Jobcentre Plus Service. This is an approach which could usefully be pursued by our National Employment Service.
- 6.30** ● **The Project Team recommends that the National Employment Service should follow-up on low-skilled clients placed in employment for a six-month period to provide them or their employer with any additional supports that could help sustain them in their jobs.**

¹⁰³ Bob Stephens, Victoria University of Wellington, New Zealand (while Visiting Fellow at the Policy Institute, Trinity College, Dublin, 2005).

Third Indicator: Inter-agency Co-operation

- 6.31** ● People with many employability problems will often require additional supports to those provided by the National Employment Service. In these cases the role of the Service should be to act as an ‘intermediary body’ which mediates on behalf of the client with those other agencies to ensure that these supports are provided. The EU Commission¹⁰⁴ has encouraged this co-operation with other service providers so as to make public employment services strategy of prevention and activation more effective. This indicator would measure both the effort put into such inter-agency work by the service and its effectiveness. It would also provide information on how such inter-agency work could be improved (the High Support Process is an example of such inter-agency co-operation).
- 6.32** ● **The Project Team recommends that three new performance indicators should be introduced (to complement the current focus on placement) to measure the effectiveness of the National Employment Service (FÁS and LES). These indicators should measure:**
- (i) How well the employability needs of people are being met.**
 - (ii) The sustainability of the jobs which people are placed into.**
 - (iii) Inter-agency co-operation required to support the up-skilling and personal development needs of clients.**
- 6.33** ● **The Project Team recommends that an independent Evaluation Unit should be established to carry out an outside assessment of the performance of the Service. This Unit could be located either within the NDP Community Support Framework Evaluation Unit or the Department of Enterprise, Trade and Employment.**
- 6.34** ● Both FÁS and the Local Employment Service (LES) are dependent upon other service providers to help develop effective progression pathways for clients. Information on the sustainability and quality of the job which a client takes up could help to identify any additional in-work support required. Such in-work supports often requires the support of other agencies. The Service should act as an ‘intermediary support’ for the person — both in and out of work. It is important to measure how successfully these services interact as well as being clear about who is responsible for what. This requires buy-in and good coordination between the National Employment Service, the Department of Social and Family Affairs, education providers, community bodies and the social partners.
- 6.35** ● **The Project Team recommends that the National Employment Service should act as an ‘intermediary body’ on behalf of low-qualified clients to mediate appropriate supports for them from different agencies. Each client should have a Personalised Action Plan detailing the support to be provided to them by all service providers (including the National Employment Service) as well as their own obligations and incentives in availing of these services.**

¹⁰⁴ Council Decision of Feb 2002 on Guidelines for Member States' employment policies, Official Journal of the European Communities (2002/177/EC).

- 6.36** ● As outlined earlier in the report the level of redundancies, especially in manufacturing, has increased significantly in recent years. It would be desirable to identify vulnerable sectors in areas particularly badly hit by job losses and to up-skill employees before an enterprise closes down so as to improve their prospects of finding alternative employment. Whilst there are difficulties in doing this, there are examples where firms have participated early on, such as Unifi Ltd in Co. Donegal. Greater advance work could be undertaken in relation to such up-skilling / training given the support of employers and unions and the industrial development agencies.
- 6.37** ● **The Project Team recommends that anticipatory training should be provided for people working in vulnerable sectors in those regions experiencing high levels of redundancies. This work should be undertaken by FÁS in co-operation with the IDA and Enterprise Ireland.**

Access to Service Provision

- 6.38** ● To provide greater opportunities in the labour market, there needs to be equal access to service provision for those people who want to work (whether full-time, part-time, temporary work, whichever is the most realistic option) with those on the Live Register. This would include people with disabilities, Lone Parents, Travellers, ex-prisoners, young-offenders etc. This approach, comprising early intervention and more equal access for vulnerable people, would mark a departure from the present, whereby those on the Live Register (for six-months) have priority of access to services. However, the Team's view is that this limits the opportunities of others in the labour force who want to work. The skills of staff will need to be enhanced to undertake this role.
- 6.39** ● **The Project Team recommends that the National Employment Service should ensure equality of access to service provision for those who have great difficulty getting work (whether full-time, part-time, temporary etc — whichever is the most realistic option), whether on the Live Register or not.**
- 6.40** ● A client profiling approach could help to identify their specific problems and the types of supports and services required to help people i.e. a 'one-size-fits-all' approach should be avoided. A personalised action plan should be developed for each client detailing the support to be provided by all agencies as well as their own obligations in availing of these services. Employment Service staff would act more like a 'job broker' having more discretion over those to intervene with earliest; deciding on the appropriate menu of supports they require and having budget spending flexibility.

- 6.41 ● **The Project Team recommends that a Client Profiling System should be developed (based upon the experience of recent Irish and international profiling exercises) and introduced by the National Employment Service to identify those clients who would benefit most from early intervention and the appropriate services and supports that would best help them into work.**
- 6.42 ● Short-term unemployed people who may want to return to work (i.e. women returners or carers) and those who want to change jobs (in the case of impending redundancies or insecure employment etc) without them entering the benefits system, should be able to avail immediately of a universal basic range of employment services supports such as job search, training, counselling etc (The OECD have highlighted the positive impact of this approach such as New Zealand's *Work for You* initiative and others such as Canada's *SSP Plus* programmes). If people were to become unemployed for six months they should have full access to service provision

Conclusions

- 6.43 ● There needs to be a more enhanced Performance Monitoring System to measure the performance of the National Employment Service. Three new performance indicators are proposed (in addition to those currently in place) as follows:

First Indicator: Measuring how well employability needs are being met

- 6.44 ● This indicator would measure how effectively the Service helps to improve the employability of a client (whether for jobs which are full-time, part-time or temporary etc, whichever is a realistic option). This measurement could be taken using a large enough sample of clients from a range of FÁS and LES offices in urban and rural areas to enable comparability of performance. A client profiling process could be used both to identify a person's employability problems and measure how well they are being met. Equality proofing¹⁰⁵ also has a key role to play in terms of promoting equal opportunity of access and outcomes for people and ensuring that due consideration is taken of any barriers which may arise in eligibility criteria and/or the design of programmes.

¹⁰⁵ *United Nations Human Development Report, 2005.*

Second Indicator: Measuring the sustainability of jobs

- 6.45** ● This would measure the sustainability of jobs that people (particularly low-skilled clients) are placed into. It would look at the nature of the jobs and whether they are still in work in six-months etc. This information would be used in a pro-active way to 'follow up' with individual clients who take up a job to provide them or their employer with any additional supports that could help sustain them in their jobs.

Third Indicator: Inter-agency Co-operation

- 6.46** ● People who have many employability problems will often require additional supports to those provided by the National Employment Service. In these cases the role of the Service should be to act as an 'intermediary body' which mediates on behalf of the client with other agencies to ensure that these supports are provided. This indicator would measure both the effort put into such inter-agency work by the service and its effectiveness. Much of this measurement would be undertaken by qualitative study work on a representative sample of FÁS and LES Offices in both urban and rural areas to enable comparisons to be made.

Access to Service Provision

- 6.47** ● There should be equality of access to service provision for vulnerable people who want to work (whether full-time, part-time, temporary etc, whichever is a realistic option) with those on the Live Register. This approach would mark a departure from that at present, whereby those on the Live Register (for six-months) have, through the NEAP process, priority of access to services. The Team's view is that this limits the opportunities of others in the labour force who want to work.
- 6.48** ● Other people such as the short-term unemployed, people who may want to return to work (i.e. women returners or carers) and those who may want to change jobs (i.e. in the case of impending redundancies or insecure employment etc) without them entering the benefits system should be able to avail immediately of a universal basic range of employment services supports such as job search, training, counselling etc.

Evaluation

- 6.49** ● There is a strong case for the setting up of an independent evaluation system for the National Employment Service to carry out an outside assessment of its performance. The location of such an independent evaluation unit, within the Community Support Framework Evaluation Unit or in the Department of Enterprise, Trade and Employment should be actively considered.

VII

Introduction

- 7.1** ● In this Section we review the levels of workplace training for low-skilled workers. We look at the development of workplace models both here and abroad which would increase the productivity of low-skilled workers and support their progression into more secure employment. Ireland has a higher proportion of low-skilled workers than other best performing countries and we look at comparisons across a number of countries. Both Ireland's and other countries experience of lifelong learning are also examined. The on-going problem of early school leaving, which results in a continuing flow of low-skilled young people into the labour force is also examined.

Provision of In-company Training in Ireland

- 7.2** ● Currently, company expenditure on training in Ireland comprises around 2.4%¹⁰⁶ of payroll costs per annum. This is above the EU average, but at the lower end of the 3%–5% best practice target. Also, there is a marked lower level of training expenditure for both young unskilled workers, older workers and lower-skilled workers generally¹⁰⁷. All the indications on employee training are that the primary beneficiaries are those with higher levels of education who are usually better paid. In recent years, the main priority for Government has been on funding the training of the unemployed rather than those at work. Public expenditure on employee training is currently estimated at €50 million per annum, compared to an estimated €1,000 million expenditure by companies¹⁰⁸ (including both the direct cost of training, including tuition fees, and their wage costs of employees while engaged in training). There is a need to look at how public-funded measures could act as a catalyst to increase the level of employee training, given that their training needs are greater than what

¹⁰⁶ FÁS figure based on EU – wide Continuing Vocational Training Survey, *The IBEC Human Resources Management Survey 2004* gives a figure of 2.9% but this may not be directly comparable.

¹⁰⁷ *The Changing Workplace: A Survey of Employees' Views and Experiences, Forum of the Workplace of the Future, National Centre for Partnership and Performance*, ESRI, 2003.

¹⁰⁸ *Data Analysis of In-employment Education and Training in Ireland*, Report to the Expert Group on Future Skills Needs and Forfas, Philip O Connell, August 2005.

some companies are willing to pay for and employees themselves are unable to pay for i.e. a case of market failure. At the same time, companies are not making full use of available State resources to support the retraining of their employees and it is not clear why this is the case.

Case for Investing in Young Low-skilled Workers

- 7.3** ● OECD Studies¹⁰⁹ indicate that, for less educated workers, training can raise productivity in line with market wages, thereby helping to sustain their employment prospects. The need for a ‘One Step Up’ initiative aimed particularly at workers with low levels of qualification has been outlined in the recent *Enterprise Strategy Group Report*¹¹⁰. Several groups may be identified within the category ‘vulnerable and low-skilled’, including those young people who have left school early and taken up jobs; older people whose skills have become more obsolete and more generally people at work who receive little training and are in jobs with little prospect of advancement.
- 7.4** ● A main current concern is the emergence of a significant number of young, low-skilled workers in low paid employment, given the continuum that exists between poorly paid low-skill jobs and unemployment. A downside of the recent rapid growth of the economy is that, given easier access to employment, many young people particularly those from low-income backgrounds are eager to leave school early and seize the opportunity to work, irrespective of the fact that jobs may offer limited opportunity for career advancement and long-term security of work.

Educational Levels of Working-Age Population

- 7.5** ● Despite an improving situation, the low-skilled (below upper secondary education) still account for a larger proportion of the working-age population here than the EU 15 average, particularly in relation to men (Table 7.1 below). Whereas around 20% of the male working-age population in Germany has a ‘low educational attainment’ level, the figure for Ireland is double that at 42%. Denmark and Finland, both similar sized countries to Ireland, have a much lower share of low-skilled people. However, it should be noted that 36% of those 25–34 here have gained a third-level qualification. This compares favourably to the EU average of 26% for this age group (approx 34% of men aged 25–34 years had received a third-level education compared to 39% of women¹¹¹).

¹⁰⁹ Idem

¹¹⁰ *Ahead of the Curve – Ireland's Place in the Global Economy*, Enterprise Strategy Group, 2004.

¹¹¹ Source: CSO QNHS Education Module 2003.

Table 7.1 Share (%) of the Working-Age Population (15-64) by Educational Attainment Levels¹¹² in selected EU Countries 2003

	Educational Level								
	Low-skilled			Medium-skilled			High-skilled		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Germany	20%	26%	23%	56%	57%	56%	24%	17%	21%
Denmark	24%	25%	25%	51%	46%	48%	25%	29%	27%
Finland	31%	27%	29%	45%	42%	44%	24%	31%	27%
UK	15%	19%	17%	57%	55%	56%	28%	26%	27%
Ireland	42%	37%	39%	36%	39%	38%	22%	24%	23%

Source: Table 4, Employment in Europe Report, 2004.

- 7.6** ● Generally the level of educational attainment is lower for older age groups¹¹³. It ranges from 21% of those aged 25–34 years; 32% of those 35–44 years; 46% of those aged 45–54 years and 60% of those aged 55–64 years of age. For all age groups, the proportion with a low educational level is higher for men than women. Findings in a recent report by the United Nations¹¹⁴, indicate that 23% of our working-age population lack functional literacy skills, the second highest rate of illiteracy, after Italy, among 18 industrialised countries surveyed.
- 7.7** ● As can be seen from Table 7.2 below, the employment rate is greater for those with a higher educational attainment level. Just under half of the low-skilled population (15–64 years) is at work compared to 85% of the high-skilled population. Unemployment rates for the low-skilled population are also double that for the high-skilled.

Table 7.2 Employment and Unemployment Rates by Educational Attainment Level (for age group 15-64) in Ireland 2003

	Total	Educational Attainment Level		
		Low-skilled	Medium-skilled	High-skilled
Employment Rate	65%	48%	71%	85%
Unemployment Rate	4.6%	7.3 %	3.9%	2.8 %

Source: Table 5, Employment in Europe Report, 2004.

¹¹² With reference to the International Standard Classification of Education (ISCED) of 1997 where the categories are: Low-skilled (ISCED 0–2: lower secondary); Medium-skilled (ISCED 3–4: Upper secondary); High-skilled (ISCED 5–6: Tertiary).

¹¹³ EU Joint Report on Social Protection and Social Inclusion 2005, Table 6a.

¹¹⁴ *idem*.

Skill Profile of Those at Work

- 7.8** ● The educational attainment profile of those at work here is much higher than for the working-age population — an indication that a person’s educational attainment is a significant factor in helping people to get and progress at work. As can be seen from the Table 7.3 below, we have a high percentage of low-skilled workers (below upper secondary education) — although we also have a high percentage of high-skilled workers. 30% of people at work here in 2003 had achieved a third-level qualification compared to 26% in 1991. This proportion is forecast to increase to 35% in 2010, with an even more rapid increase forecast for the Greater Dublin Region i.e. to 41%.

Table 7.3 Skill Composition of the Working Population in selected EU Countries 2003

	Educational Attainment Level		
	Low-skilled	Medium-skilled	High-skilled
Germany	16%	58%	26%
Denmark	20%	50%	30%
Finland	22%	46%	32%
UK	13%	56%	31%
Ireland	30%	40%	30%

Source: Annex 6.5, Employment in Europe Report, 2004.

- 7.9** ● In Ireland, the sectors with the highest share of low-skilled workers (see Table 7.4 below) are *Agriculture* (62%); *Industry* (36%); *Transport & Communications* (36%); *Hotels & Restaurants* (32%); and *Wholesale & Retail* (32%). Over the previous three years, there was a 20% increase in the number of high-skilled at work, compared to a 2.4 % increase medium-skilled and a 3% reduction in the numbers of low-skilled.
- 7.10** ● Findings in the *EU Employment in Europe 2003* report indicate that about a quarter of the EU workforce are in lower quality jobs¹¹⁵ with low productivity, lower pay, lack of training, poor career prospects and job insecurity. It is estimated¹¹⁶ that a similar share i.e. 26% of employees here are in low quality employment (higher than countries such as Denmark 18% and Finland 20%). These jobs may provide a ‘stepping stone’ for people

¹¹⁵ The term ‘lower quality jobs’ used here refers to jobs which have either low pay and / or a lack of job security and access to training or career development – and is the definition used in a comparative analysis across EU countries in the *Employment in Europe Report 2003*, page 126.

¹¹⁶ *Employment in Europe Report 2003*, Chart 81.

Table 7.4 Educational Attainment Level (%)
by Sectors of Employment in Ireland 2003

Sectors	Low	Medium	High
Agriculture	62	31	7
Industry	36	44	20
Transport and Communication	36	44	20
Wholesale and Retail	32	52	16
Hotels and Restaurants	32	47	21
Health and Social Services	23	30	47
Business Services	13	31	56
Education	11	15	74
Financial	5	47	48
Public Administration	4	87	9

Source: Annex 6.5 Employment in Europe Report, 2004.

into higher quality employment (because of higher pay, a permanent contract status or access to training) and findings¹¹⁷ indicate that we have achieved relatively better longer-term transition rates¹¹⁸ than other European countries.

- 7.11 ● It is estimated by FÁS/ESRI¹¹⁹ that over the present decade there will be a net additional employment requirement of some 195,000 people with third-level education qualifications. Taking into account an attrition outflow estimated at 106,000 over this period, due to retirements, deaths etc, a total third-level inflow of just over 300,000 workers will be needed. This presents a major challenge as CSO projections forecast that the number of young people aged 15–24 years will fall by 15% over this period. This will in turn give rise to a substantial decline in the numbers entering third-level education institutions, even if reasonable allowance is made for a rise in participation. The ESRI conclude that even if allowance is made of increased domestic third level participation; re-training and life long learning initiatives; and increased ‘re-entrants’ into the labour force etc., that the demand for those workers with third-level education in 2010 will only be met if there were to be a sizeable migratory inflow of people with these qualifications.

¹¹⁷ *Employment in Europe Report, 2003* Chapter 4.

¹¹⁸ Refers to the probability of moving from low quality jobs to high quality jobs.

¹¹⁹ Op cit.

Lifelong Learning

- 7.12** ● Analysis of recent CSO Survey data¹²⁰ confirms the importance of educational attainment for success in the labour market. It found that the level of education received prior to entering the labour market has a large bearing on the amount of education and training received when in employment. Only 1% of those with no qualifications had participated in formal education over the previous twelve months, as did 5% of those with lower secondary education (Junior Certificate Level), compared to almost 10% of those with third-level qualifications. There was a similar pattern in respect of both non-formal and informal education and training.
- 7.13** ● The Survey found that almost 10% of those aged 25–64 were defined as ‘lifelong learners’ (i.e. people in receipt of education through the regular education system or through organised learning activities, in the four weeks prior to the survey). The figure for ‘life long learner’ in Ireland is similar to the EU 15 average but much less than ‘best practice’ countries such as Sweden (34%); United Kingdom (21%); Denmark (19%); Finland (18%) and the Netherlands (17%). For Ireland, only 8% of men are classified as lifelong learners, compared to 11% of women. Almost 75% of these ‘lifelong learners’ are in employment with a further 3% unemployed (possibly up-skilling in an attempt to gain employment) and the balance of 23% not economically active.
- 7.14** ● A recent CSO survey¹²¹ examined those who were in receipt of formal education (i.e. regular education through schools, colleges and universities). It found that 10% of those in employment had received formal education in the previous twelve months. Excluding students, this figure fell to 7% of workers. Around 90% of these were in full-time employment and 10% in part-time employment (even though the latter comprises 18% of total employment).
- 7.15** ● There was a marked age difference for those who had received formal education. While 9% of people in the 25–34 age group had received formal education at some time in the previous year this figure fell to 4% of people aged 45–54 and only 2% of those aged 55–59 years.
- 7.16** ● Excluding students from the analysis, almost 10% of workers in the Construction and Education sectors had participated in formal education in the previous year with the agriculture, forestry and fishing sector reporting the lowest level of participation at 1.5%.
- 7.17** ● Further analysis of the CSO survey findings by FÁS¹²² indicated that 18% of workers had received training at some point in the previous year, (defined as organised learning activities outside the regular education system) and that less well-educated workers were less likely to receive

¹²⁰ *Educational Attainment Module, CSO Quarterly National Household Survey, 2003.*

¹²¹ *Lifelong Learning Module, CSO Quarterly National Household Survey, 2003.*

¹²² *Inequalities in the Irish Labour Market: FÁS Analysis on recent Education and Training Data.*, Brian Mc Cormick, FÁS, 2004.

training. A quarter of workers with a third-level education had received training over the previous year, compared to only 10% of other workers. FÁS also reported that access to formal education for workers followed a similar pattern as access to training. Professional workers and construction workers were more than five times as likely as plant and machine operatives to have received formal education. Also, workers in the public sector were almost twice as likely to have received formal education as those employed in manufacturing.

- 7.18** ● Recent analysis by the OECD¹²³ shows that some 40% of the labour force in several OECD states (such as Denmark, Sweden, Finland and the United States) take part in non-formal job related education and training each year, compared to just 14% here in Ireland.
- 7.19** ● There are currently 35,300 part-time students enrolled in third level education courses comprising Universities (14,600), Institutes of Technology (17,400) and Other Colleges (3,300). In total these part-time students pay an estimated €45 million in private fees.¹²⁴ Around 40% of part-time awards are at sub-degree level i.e Certificate or Diploma and about 20% each at primary degree, post-graduate diploma and post-graduate degree level. About 90% of part-time third level students are at work. The Project Team believe that a main means of boosting the level of formal learning of those at work would be to have free fees for those taking occupationally relevant part-time courses, for the first time, at each level in further and higher education. This would fit into the idea of the ‘one-step-up approach’ of helping workers acquire a higher qualification. It would also have an equitable dimension as it would only apply to those taking a qualification at each qualification level for the first time and would therefore benefit those with lower-levels of educational attainment most.
- 7.20** ● **The Project Team recommends that there should be a system of free fees for part-time students engaged, for the first time, in taking occupationally relevant courses at each level in further and higher education (i.e at certificates, diplomas and primary degree award levels) recognised within the National Framework of Qualifications (Department of Education and Science).**

Good Practice from Irish and International Experience

- 7.21** ● A number of models of good practice in supporting young low- skilled workers have arisen from the Local Development Social Inclusion Programme (LDSIP), such as that undertaken by the Dublin Employment Pact, FÁS and the Department of Education and Science in conjunction with Northside, Clondalkin and Tallaght Partnership Companies. This Programme was aimed at early school leavers who were 6 months in

¹²³ *Education at a Glance Report*, OECD, 2005.

¹²⁴ *Data analysis of In-employment Education and Training in Ireland*, Report to the Expert Group on Future Skills Needs and Forfas, Philip O’Connell, ESRI, 2005.

employment. Factors associated with the success of these examples include the flexibility of the training modules; the experience of the tutors; the links with local education personnel and the VEC; and the ongoing involvement of employers and employees. Following an evaluation, the programme is currently in the first stage of implementation by six Dublin Partnership companies and has been extended to include rural areas of Wicklow and Kildare.

- 7.22 ● FÁS runs a *Competency Development Programme* with the aim of encouraging training and re-training of employees in particular skills and sectors. Under this programme, subsidies are paid to reduce the cost of training courses. The rate of subsidy varies depending upon the region of the country (i.e. South and East region or Border Midlands West Region). In exceptional cases, in respect of un-skilled employees, the subsidy can reach 100% of training course costs. The programme was expanded in 2005 with a particular priority on the up-skilling those workers with no qualifications. It has become part of the recently launched FÁS *One-Step-Up* initiative which will concentrate on those in low-skilled, low-paid work. It aims to give workers accredited skills and qualifications which will be portable from one employment to another.
- 7.23 ● The *Training Networks Programme* established by Skillnets Ltd, has also made a contribution to supporting the development of low-skilled workers. The benefits of this network-based approach have been identified as facilitating the engagement of large numbers of companies in a shorter timeframe than would otherwise be possible; stimulating industry learning champions; enabling inter-firm learning and bringing about new strategic partnerships between industry and other learning stakeholders.
- 7.24 ● The *Workplace Basic Education Model* (provided by the National Adult Literacy Agency, with funding from the Department of Education and Science) provides employees with an opportunity to attend a basic education course focused on their workplace needs. Literacy training is a major component of the course. The success of the model has been attributed to high levels of co-operation between companies and literacy providers.
- 7.25 ● Another pilot programme has recently been run linking education and the workplace (a joint initiative of the Dublin Employment Pact, FÁS and the Department of Education and Science). It was aimed at encouraging young people in jobs to get training. The pilot areas were Tallaght, Clondalkin and Northside Partnership areas in Dublin. The pilot was reported as having mixed success. A main difficulty was the time spent attempting to attract both employers and participants and a successful element was the partnership approach at local, regional and national level, particularly the involvement of the private sector. The initiative is now running in five areas.

- 7.26 ● The KWCD Exchange (Kimmage, Walkinstown, Crumlin and Drimnagh) which operates in an area of Dublin with relatively high unemployment, is an example of a network of employers and service organisations. It works as a bridge between employers, job-seekers and support agencies by providing job placements and specialised training programmes. The hope is that employers involved in the network will act as advocates to other employers in the promotion and recruitment of long-term unemployed people.
- 7.27 ● An EU research project (*The Social Partners and Vocational Guidance for Lower-Paid Workers*) supported under the Leonardo da Vinci Programme, ran between 2000-2002. It highlighted experiences of a good practice in delivering guidance on training and education to lower-paid workers within a partnership comprising several countries such as Sweden, Germany, UK, Finland Italy, Spain and Denmark. Their target group were people who had a low level of education, were in an insecure job with a low level of income and who typically had poor opportunities for career advancement and a lack of access to education and training. Findings were that most large and even some medium-sized employers have the resources to provide employee development but that small and micro firms often did not.
- 7.28 ● The Leonardo project demonstrated the possibilities of trade union/ employer co-operation in the training of lower-skilled workers. For example, it was usual to find in many employee development schemes for the unions to be fully involved in their design and implementation. This extended in certain cases to an agreement between the employers and unions that training could take place in the workplace and in work time. In Denmark, both the Employers Federation and the Trade Unions reached agreement on a measure that provides education at work for the low-skilled.
- 7.29 ● In the UK, the joint publication of the Confederation of British Industry and the Trade Union Congress (CBI/TUC 2001) on basic skills and the need for training, argued that the State should pay for training for the unemployed and for the education and training of people of any age up to level two (equivalent to the qualification gained after ten / eleven years of initial education). Firms should then pay for the training of their employees but with subsidies made available for smaller firms. It was felt that employees themselves should have the main responsibility for their development beyond their current employment. However, it was acknowledged that low-skilled workers most often cannot afford to pay for such training.

Funding Mechanisms for Workplace Training

- 7.30** ● As already mentioned above, the funding of workplace training is a major challenge for Government, employers and unions. However, there is currently no agreed national consensus on a formula as to the sharing of the costs. Research findings have indicated a positive return to investments in training. However, the difficulty is often about agreeing on who benefits from the training and who should pay.
- 7.31** ● Normally employers pay for the training of an employee in a skill that is a requirement for their job. That said, companies often offer training and development as a means to attract and retain personnel and ‘soft skill’ training such as team working, problem solving etc are important skills in all jobs today and are transferable more generally across firms.
- 7.32** ● Accepting that the principal responsibility for in-company job specific training is the employer, then it would seem appropriate that the State should only intervene (and fund) mainly in cases of clear ‘market failure’ i.e. such as in the case of low-skilled workers who need up-skilling but through a combination of their not being able to pay for it and the firm being unwilling to invest in it, means it will not take place.
- 7.33** ● Several approaches to encourage in-company training have been used to date, albeit with varying degrees of success. These methods include Job Rotations (temporarily replacing employees while they undertake relevant training), training subsidies (assisting employers to employ trainers and to deliver training on-site), and financial compensations (awarded to employers to compensate for reduced levels of productivity during training).
- 7.34** ● FÁS has proposed that a new initiative is needed to enable unqualified employees to receive the formal, off-the-job training to acquire qualifications. FÁS believes that this will require the provision of some form of learning leave whereby employees are released from work. A period of five weeks off-the-job training on average is suggested (accompanied by on-the-job training) with workers paid an allowance from the State during this period. It is suggested that this allowance could be set at the level of the national minimum wage (with the education / training being free).
- 7.35** ● The *Forum on the Workplace of the Future*¹²⁵ has recently recommended that a three-way commitment of resources, sometimes known as *Personal Learning Accounts* merit consideration and should be examined with a view to informing policy development here (in total some forty-two recommendations in that report are being considered by a High-Level Implementation Group which has been established for that purpose).

- 7.36 ● A recent briefing paper by ICTU¹²⁶ advocates the introduction of paid learning leave. This would be proportionate to time spent in the labour force in order to facilitate the upgrading of skills to keep pace with innovation in their sector. Payment for this learning leave would be partly met from the Social Insurance Fund in the same manner as Maternity Benefit. It proposes that the National Training Fund should also be opened up to individuals (with priority given to lower-skilled workers) seeking to increase their level of qualifications funded by an allocation of 0.5 % of employees PRSI contribution to the Fund, with no overall increase in contribution levels. ICTU believe that this measure combined with paid educational leave would allow individuals to return to learning while serving the needs of the wider labour market.
- 7.37 ● IBEC has also recently released their Statement of Policy¹²⁷. IBEC believe that it is the ‘blending’ of the interests of the State, the individual and the enterprise into one overall policy that will determine success in the future. IBEC highlight the need to address the training and development requirements of low-skilled and older workers. They also believe that FÁS should provide advisory and training options for those in declining traditional sectors of the economy where there is a greater risk of redundancy. In terms of the funding of training, IBEC believes that individual enterprises should be given incentives to invest in training, particularly where it is linked to national policy. Individuals should be encouraged to take an active part in their own development at all stages and that tax credit incentives could be offered those who embark on programmes which are career related and self-funded. Overall, IBEC believes that the goal for spending by companies in this area needs to be gradually raised to 4% of payroll while recognising that there will be variations according to sector and company size.
- 7.38 ● **The Project Team recommends that a formula for the sharing of workplace training costs for the up-skilling of low-skilled workers between the State, Employers and Trade Unions should be developed by mid-2006. This is one of the biggest challenges to be faced and initial discussions should commence around those common points of agreement within the recent IBEC and ICTU proposals in these areas.**

126 *Lifelong Learning: Everyone Wins*, ICTU, 2005.

127 *Training and Development IBEC Statement of Policy*, July 2005.

- 7.39 ● The Project Team recommends that training and education providers (FÁS, VECs, Colleges etc) should offer more flexible provision, accredited within the National Framework of Qualifications, at times and locations to suit both employees and employers. There should be a particular focus on those in part-time, temporary and other atypical forms of work (who receive on average less training than those in full-time employment). This is of particular relevance for women, a higher proportion of whom are engaged in these types of employment.
- 7.40 ● The OECD has recently examined several broad areas of financing policies aimed at reducing under-provision and increasing the effectiveness of adult learning¹²⁸. In relation to funding mechanisms that directly support firms and workers, the OECD conclude that profit tax deduction schemes and levy / grant schemes can be viable options if it can be ensured that 'deadweight' losses are reduced and disadvantaged groups and small and medium-sized firms also benefit.
- 7.41 ● In relation to funding mechanisms that directly support workers, the OECD highlight the effectiveness of *Individual Learning Accounts* (ILAs) and *Training Vouchers* and *Grants* in addressing the needs of low-skilled workers, since they can be targeted and stimulate competition among training providers. *Individual Learning Accounts* are essentially tax-sheltered savings accounts that can only be used for the purpose of adult learning activities. Many stakeholders, including individuals firms and the Government can contribute to this account. The main idea behind *Individual Learning Accounts* is not only to make adult learning an individual responsibility, but also to financially and technically involve other stakeholders in the process.
- 7.42 ● In the UK, a problem regarding fraud led to the suspension of their ILA scheme only 12 months after it was launched. The OECD concluded that these problems reflected management control problems caused by a too rapid expansion of the programme (the number of ILA holders reached one million in 2001) to meet a demand that had been underestimated at the planning stage. There was also a lack of quality control of private sector providers which led to substandard courses. At the same time the UK ILA scheme was not specifically targeted to the low-skilled.
- 7.43 ● In contrast, pilot ILAs introduced in Canada (Learn\$ave), the Netherlands and the United States were designed in a way that primarily targeted low-skilled adults. The Dutch ILAs focus is on low-educated disadvantaged groups (including the unemployed), while learning and training accounts in Canada and the United States are limited to those below a certain income and/or asset threshold. The OECD concludes that most of these programmes have successfully increased participation in adult learning, especially among the low-skilled. There were also fewer cases of account abuse and quality control than reported in the UK. The OECD concluded

that the biggest challenge was to have all stakeholders (Government, social partners, firms) agree on the nature of the fiscal incentives before expanding pilot programmes into nationwide schemes and that provider quality be ensured and certified. In 2004, France initiated a different type of learning account, where individuals are allowed to save time instead of money. The Netherlands has also decided to establish a 'Life Course Scheme' that provides incentives for employees to save money to finance periods of unpaid leave (the main incentive being that the deposit is not taxed). Denmark and Sweden provide individual allowances for study.

- 7.44 ● The OECD cite Austria and Germany and Switzerland as examples of well-targeted *training voucher schemes* that also provide strong incentives for adults to complete their courses. The *training vouchers* subsidise part of the costs of training and specifically target low-skilled workers and unemployed. An important feature of the Austrian scheme is their attempt to ensure learners a supply of good-quality providers. Training providers must meet strict quality standards. In order to better target low-skilled workers the UK has decided to adopt a grant-based scheme, developed as part of the UK Skills Strategy. It is targeted at those who have not succeeded in their initial education to help them get the qualifications necessary for their future careers.
- 7.45 ● The take-up of *training leave schemes* with some exceptions, such as Denmark, Germany, Norway and Sweden remains limited — with less than 2% of employees on *training leave* each year. The OECD conclude that this reflects the availability of financial support, coverage of the wage loss of employees while on training and the need to obtain the agreement of the employer to exercise the right to a *training leave*. Higher educated employees also tended to benefit most from *training leave* arrangements. There are different methods of *training leave* across countries with eligibility criteria often depending upon the duration of the employment ranging from no minimum requirement to at least three years of work with the same employer. The *training leave* generally requires the agreement of the employer and it may be limited to vocationally orientated or firm-based training or cover general learning as well. *Training leave* may either be paid or unpaid — in the UK it is applied on a voluntary basis whereas in Germany it is included in many collective agreements, while in Sweden it is regulated by law.

Types of support required

- 7.46** ● *Personal Development Plans* have been identified as critical to career planning and lifelong learning, particularly for young low-skilled workers. These plans can focus on such basic issues as literacy, numeracy and basic computer skills. As one submission stated:

“An essential component of good performance is the creation of a personal development plan for each individual employee. There is a misconception that this type of development plan is only relevant to highly qualified employees. Good personal development plans can focus on such basic issues as literacy, numeric skills and computer skills. Guidance and encouragement at an early stage of a young employee’s working life can help to overcome problems which, if neglected, can become chronic inhibitors to employability or career development.”

- 7.47** ● Mentoring was also identified in submissions as an important mechanism for supporting the development of young low skilled workers. It should focus on identifying longer-term career goals and the steps towards achieving them. The OECD in its recent report on promoting adult education concluded that individual counselling support was effective, particularly in the case of low-skilled workers and disadvantaged adults. It highlights the promotion of learning by individual ‘mentors’ or ‘learning ambassadors’ (such as successful course participants or other specially qualified mentors such as trade union learning representatives or a professional guidance worker). Unions and Chambers of Commerce etc might help to recruit suitable members to act as mentors. Mentoring might also be delivered to both groups and individuals through a consortium arrangement between small and medium-sized firms¹²⁹.

- 7.48** ● **The Project Team recommends that Personal Development Plans and Mentoring should be provided for all low-skilled workers to help develop their occupational skills. The National Employment Service should undertake this mentoring role for low-skilled clients who take up work for up to a six-month period (supporting the client in adapting in the workplace and working through any issues which arise). Those already at work could be supported by different approaches including trade union and/or employer learning representatives within the business or a network of firms.**

¹²⁹ This approach is also recommended in *Good Practice Guide For Employers—Vocational Guidance for Lower-Paid Workers*, EU Leonardo Programme, Ms Pamela Clayton, University of Glasgow, 2002.

Accreditation of Workplace Learning

- 7.49 ● There is a need for the accreditation of work-based training so that this can be recognised and to provide employees with the possibility of further progression. The establishment of the new National Qualification Framework with its ten-level structure and initial set of 15 award-types is a significant milestone in this regard. Education and training providers now need to respond by providing more modularised flexible provision within Levels 1 to 6 of this Framework and at times and locations which suit both employees and employers.

Early School Leaving

- 7.50 ● A key challenge is the problem of early school leaving¹³⁰ leading to an inflow of low-skilled workers entering the labour force. The fact that nearly 13 % of young people¹³¹ still leave school early (whose highest level of education attained is lower secondary or below) is a major failure of our education system. The figure is higher for males at 14.7% than females at 9.4% and for Traveller children it is estimated to be as high as 63%. The problem is much greater in many disadvantaged areas where early school leaving ranges from 40%–50% of the school leaving cohort¹³². This is despite the fact that we are currently spending €636 million¹³³ annually in tackling the problems of educational disadvantage. The unemployment rate for early school leavers aged 18–24 years, at 18%, is three times higher than other young people. There is a direct association between low-educational attainment and unemployment. For example between 65%–75 % of those unemployed in the Finglas, Ballymun, Ballyfermot, Artane, Inchicore, Crumlin areas of Dublin have either ‘No formal’, ‘Primary’ or ‘Junior Certificate’, as their highest level of education attained¹³⁴. A major factor is that obligations under the Education (Welfare) Act 2000 relating to the duty of the National Education Welfare Board (with a staff of 84 educational welfare officers) to help such young people gain development/ career counseling etc have not been implemented yet. The Act states that the employer must allow an individual to pursue that agreed plan.

¹³⁰ See NESF Report Number 24, *Early School Leavers*, 2002.

¹³¹ Education Module, *Quarterly National Household Survey*, CSO, 2003.

¹³² Op cit.

¹³³ Op cit.

¹³⁴ *Analysis of Census 2002 to Inform Planning by City of Dublin Vocational Educational Committee Area: Dublin City*, City of Dublin Vocational Education Committee, September 2005.

- 7.51 ● The Project Team recommends that a particular priority for the Department of Education and Science in 2006 should be the serious on-going problem of early school leaving and the need for a more coherent range of policies within disadvantaged areas to tackle this problem. The envisaged role of the Educational Welfare Boards in this area should be implemented.**
- 7.52 ● There are now some 56,400 young working-age people (under 25 years) who left school early, of whom 34,500 are in employment, 7,300 are unemployed and 14,700 are not economically active. The emergence of this significant number of young, low-skilled workers is a major failure of our education system given the continuum that exists between poorly paid low-skill jobs and unemployment.**
- 7.53 ● The Project Team recommends that the initial focus of additional State support for worker training should include those young people (under 25 years of age) who left school early and are now at work. The Department of Enterprise, Trade and Employment should fund four weeks formal off-the-job training for 5,000 of these young people each year over a five-year period (commencing in 2007) at an indicative annual cost of €20 million. A main means of facilitating this training should be that the young worker would receive up to €2,000 into their own Individual Learning Account (administered by the Department), for occupational training linked to a personal development plan and accredited under the National Framework of Qualifications. Other funding instruments such as training vouchers and grants should also be considered.**
- 7.54 ● The Leaving Cert Applied sought to help young people left at the ‘back of the class’. It recognised that intelligence could not only be measured by academic achievement but on the students wider range of capabilities. However, there are indications that this goal is not being met as the Leaving Cert Applied has also now become more academic. Other important strengths of students than solely academic achievements should be recognised.**
- 7.55 ● The Project Team recommends that the Department of Education and Science should restore the original vision of the Leaving Cert Applied, with its focus on the strengths of students other than academic achievements.**

Conclusions

- 7.56 ● The level of education received prior to entering the labour market has a large bearing on the amount of education and training received when in employment. In 2003, only one percent of those with no qualifications participated in formal education over the previous twelve months, as did 5% of those with lower secondary education (Junior Certificate Level), compared to almost 10% of those with third-level qualifications. There was a similar pattern in respect of both non-formal and informal education and training. In order to both sustain and increase quality employment**

opportunities we need to look at the coherence of all investment in improving the employability of people — including workplace training and lifelong learning. Low-skilled people need to be trained in those skills that are relevant to business. There is also a need to broaden and update the skills of all workers and avoid any possible competition between high-skilled and low-skilled workers.

- 7.57** ● Current efforts to promote lifelong learning here are not working sufficiently well and that we are well behind best performing countries (such as Sweden, United Kingdom, Denmark and Finland) on this measure. There needs to be an up-skilling of those with low levels of qualifications along with an expansion of part-time, flexible opportunities to access education and training opportunities. There is currently no agreed national consensus on a formula for the sharing of the costs of workplace training. This is a major challenge which needs to be addressed by Government, employers and unions. There is a strong case for public spending on the training of low-skilled workers, where the current level of training is much lower than for other workers.
- 7.58** ● Only 12% of young low-skilled employees receive training each year. Without up-skilling they will remain in low-skilled, low-paid employment and are likely to experience periods of recurring unemployment. *Personal Development Plans* and *Mentoring* were identified as critical to career planning and lifelong learning.
- 7.59** ● The problem of early school leaving remains a key place to intervene — so as to reduce the flow of low-skilled workers entering the labour force. The fact that nearly 13% of young people are still leaving school early (at under Junior Cert level) is a serious concern. That figure is also much higher in many disadvantaged areas. A recent NESF Report has demonstrated the benefits of early childhood care and education intervention in this regard³⁵.
- 7.60** ● There are currently 35,300 part-time students enrolled in third level education courses. Around 90% of these are at work. A main means of boosting the level of formal learning of those at work would be to introduce free fees for those taking occupationally relevant part-time courses, for the first time, at each level in further and higher education. This proposal would fit into the idea of the ‘one-step-up approach’ of helping workers acquire a higher qualification. It would also have an equitable dimension as it would benefit those with lower-levels of educational attainment most.

B

Introduction

The Project Team commissioned some original research as an input to their work. WRC Social and Economic Consultants undertook this study and an extract of this research is reproduced here (other parts are included and accredited in the main report). The objectives of the research were to:

- Review evidence of labour market and economic development problems in two selected regions.
- Identify financial and other barriers to participation in the labour market or in education, training and other measures.
- Identify and examine examples of the best ways local labour market and social inclusion measures, acting together, can help those who are experiencing difficulty on the labour market.

In order that the issue of labour market exclusion and vulnerability could be explored in different social, economic and labour market contexts, two contrasting areas were selected for this research. These were Dublin City North and counties Donegal and Sligo. The research was undertaken during February and March 2005. The terms-of-reference of the research is given in Annex II.

The methodology of the research comprised the following elements:

Methodology

Survey of Service Provider Organisations.

A survey of personnel working in organisations that provide services in relation to the labour market or to combating social exclusion was undertaken in the two areas. These organisations included statutory bodies (FÁS, VEC, Department of Social and Family Affairs), local development agencies (including Area Based Partnership Companies, County and City Enterprise Boards, LEADER, Local Employment Services etc), Social Partner organisations including Trade Unions and Chambers of Commerce, and a wide range of community and voluntary organisations.

Focus Groups

Two focus groups were convened in each area: one comprised *service providers* and the other one of *service users*. The focus groups provided an opportunity for a more dynamic discussion allowing the combination of barriers and local-level processes to be explored. *Service provider* focus groups included personnel from Area Based Partnership Companies, Local Employment Services, Drugs Task Forces, FÁS, VECs, Department of Social and Family Affairs, Trade Unions, Representative Organisations, Chambers of Commerce and community organisations. Over one hundred individuals participated in the four focus group meetings.

Service user focus groups involved a range of those experiencing marginalisation on the labour market such as: people with disabilities, lone parents, long-term unemployed, Carers, members of the Traveller community, immigrants, ex-drug users and ex-offenders etc. Between them they shared a wide range of experience of participation in labour market programmes and employment. Despite the considerable difficulties they outlined in relation to getting back into employment, all were still looking for employment within or near the areas where they lived. All had considerable experience of using the services of providers. The *service user* focus groups included the following:

- People with extensive experience of employment, usually with the same employer or industry, but who had recently been made redundant.
- People who for a variety of reasons had only sporadic periods of employment, usually in sectors characterised by low pay, low skill and insecurity.
- Young people who had poor formal educational attainment, had experience of participation on labour market programmes but whose employment was confined to work experience.

Interviews

Following the focus group meetings, telephone interviews were conducted in both study areas. These included representatives of Area Based Partnership Companies, Local Employment Services, County and City Development Boards and community organisations (see Annex III).

Desk Research

A review of relevant reports, official statistics and other documentation was also undertaken to provide material on the local economic and labour market contexts in both study areas.

Overview of Study Areas

The two areas of counties Donegal/Sligo and North Dublin were selected to provide contrasting contexts within which to explore labour market vulnerability. The labour markets in both areas are characterised by redundancies and the decline of traditional industry; by growing disparity between high/ low skilled work; and by low paid employment. They both have high concentrations of people experiencing poverty, exclusion and labour market marginalisation.

However, there were considerable differences between the two areas in terms of their economic and social contexts.

Donegal/Sligo experience infrastructural underdevelopment, rural isolation, loss of traditional industry and is lacking an economic driver. Overall, this region, particularly Co Donegal, is economically under-developed, with relatively high unemployment — in many ways reflecting the situation that prevailed throughout the country in the early 1990s.

In the Dublin City North area generally, economic development *per se* is not the issue: there is strong and continued growth in employment. Here, the problem is the existence of localities and large numbers of people within them who have been largely untouched by the benefits of employment growth while frequently being adversely affected by job losses. In both areas, there is ample evidence that macro-economic trends and processes may balance out (or produce a net beneficial effect) at national or regional level but produce negative impacts at local level.

Given that marginalised people tend to operate in localised labour markets, this amplification of economic trends at the micro level has very profound implications for labour market inclusion. In particular, it highlights the fact that labour market vulnerability is not a residual problem of the previous decade, but intrinsic to contemporary economic processes.

Barriers to Participation in Employment

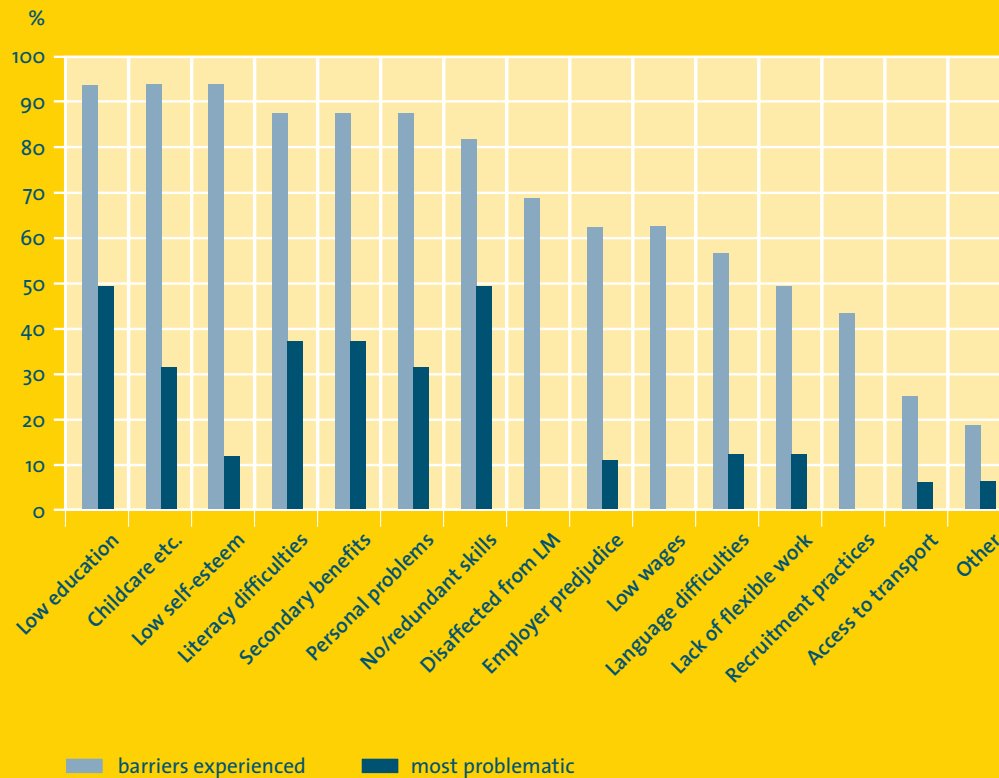
Factors on the supply side (such as low education); continue to be pressing issues in developing strategies to achieve inclusion. However, in order to help vulnerable groups into employment, it is necessary to understand all of the factors that contribute to their vulnerability. It is important to acknowledge the wider policy arena within which labour markets exist and the way this impinges upon labour market activity and decision making. Of particular relevance are those policy areas relating to needs such as housing, health, childcare and transport.

In Ireland, many social goods such as housing, health and childcare must be purchased by households at high cost. There are a range of secondary benefits and discretionary payments to welfare dependent households to help people meet these costs. However, moving from welfare to work invariably results in the partial or complete withdrawal of these payments and for those in low-paid employment, this results in the creation of welfare traps. Against this backdrop, barriers to participation in employment were explored with both *service providers* and *service users*. In relation to *service providers*, their views were explored through focus groups, through a survey and to a lesser extent through interviews.

Service Providers Views on Barriers

Respondents were asked to identify the barriers to employment affecting their user groups and also to indicate which of these were causing most difficulty. In North Dublin, the principal barriers identified (see Figure 8 below) were low levels of education, childcare, low self-esteem, literacy difficulties and personal problems. Barriers arising from the loss of secondary benefits and the availability and cost of childcare were also frequently noted. Fewer respondents cited

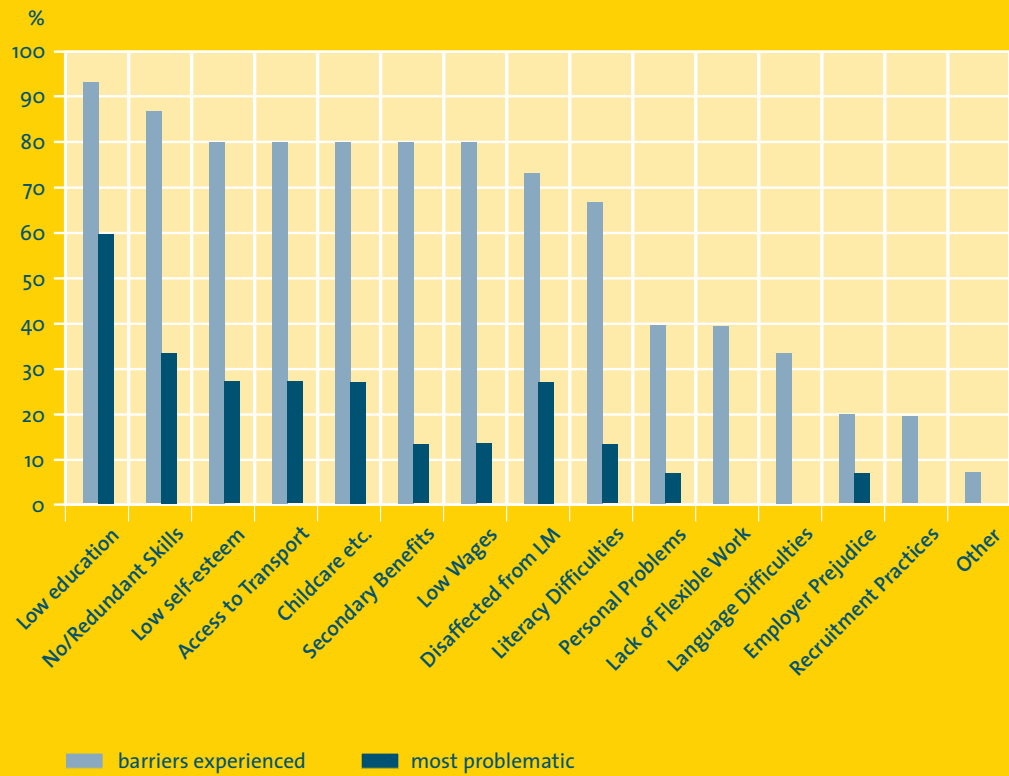
Figure 8 Barriers to Employment, North Dublin — Views of Provider Groups



demand side barriers such as employer prejudice or low wages. A substantial proportion indicated that disaffection from the labour market on the part of user groups was a barrier to their employment. The barriers identified as being most difficult to deal with were lack of skills and low education.

In Donegal/Sligo, a similar pattern in relation to barriers in general was found (see Figure 9 below). Here, the majority of respondents cited low education, low skills and low self-esteem as significant impediments to employment. Also frequently identified was limited access to childcare and limited access to transport. The loss of secondary benefits also featured. Just under three-quarters of Donegal/Sligo respondents believed that disaffection from the labour market on the part of their user groups was a barrier to their employment. In contrast to the situation in Dublin, demand side barriers were more frequently mentioned in Donegal/Sligo. Over three-quarters of respondents referred to low wages as a barrier and 40 per cent to the lack of flexible work opportunities. When asked to identify the barrier for their user groups most difficult to deal with, low education levels was referred to by 60 per cent of Donegal/Sligo respondents.

Figure 9 Barriers to Employment, Donegal/Sligo — Views of Provider Groups



The Dynamics of Labour Market Exclusion

The *service provider* focus groups and subsequent in-depth interviews, as well as helping to identify individual barriers, also provided an opportunity to discuss the relevance of contextual factors within which labour market marginalisation occurs and to explore the ways that individual barriers combine to create adverse labour market dynamics at local level. The focus groups for *service users* also explored how individual barriers combine to create problematic (most difficult to deal with) dynamics within local labour markets. The three themes discussed at all of the Focus Group meetings were as follows:

A. The Implications of the Local Economic and Infrastructural Context

In North Dublin and Donegal / Sligo, *service providers* highlighted the impact of economic changes most difficult to deal with at the local level and the implications of poorly developed local infrastructure. Both separately and in combination, these issues were seen to produce variable problems and outcomes for different categories of people. In terms of the impact of economic change at the micro level, two features were frequently referred to, namely:

- the unavailability of jobs within the localised areas where marginalised people seek employment; and
- in localities where jobs exist they were catering only for a small component of the local labour supply.

In pockets of North Dublin and more generally in Donegal / Sligo, there was a perception among *service providers* that there was little or no employment available within the localised labour markets for vulnerable groups. This was also the view of a wide range of *service users*. However, this unavailability of jobs was also seen by *service providers* as an effect of the regional and local shortcomings associated with national economic development strategies. This issue was articulated differently in the two study areas. In Donegal / Sligo, the main problem was seen as the failure of national development strategies to take account of regional conditions. In North Dublin, it was perceived as the failure to develop linkages between the work of the IDA and Enterprise Ireland and that of the local agencies, which have a particular remit for social inclusion.

In both areas, there was also some experience of growth in the service sector and particularly in the hospitality sector, in retail and in Call Centres. These sectors, however, were seen to provide different types of jobs than the manufacturing sector and to attract different categories of workers. Thus, while employment opportunities exist for some people at local level, other potential workers (including older and skilled workers) are bypassed. A number of reasons were cited:

- people formerly working in industry or fishing / farming often do not have the confidence to take up employment in the service sector;
- low-skilled work is unattractive because it locks people into low pay, provides no opportunity for training or advancement and is often associated with long, irregular and anti-social hours;
- many of these jobs pay minimum wage, and people with family responsibilities cannot afford to take these up; and
- loss of secondary benefits exacerbates the unattractiveness of low-paid jobs. Rent allowances and medical cards were the benefits, which people were most reluctant to jeopardise.

The limited employment opportunities at the local level were compounded by infrastructural deficits. In both regions, the lack of childcare was widely referred to by both *service users* and *service providers* as a major barrier, particularly but not exclusively for lone parents. Lack of childcare provision and the high cost of

private childcare, meant that most people had either to rely on family or friends or forego employment opportunities. For lone parents, in particular, the lack of childcare was seen as either locking them out of the workforce altogether or into a situation of under-employment. The issue of public transport was also cited as causing much difficulty particularly in the Donegal/Sligo region, again both on its own and in combination with other difficulties.

B. Different Levels of Incorporation into Employment

The outcome of economic processes at the local level determines the overall availability of employment opportunities within local labour markets. These local labour market dynamics produce different levels of vulnerability among local labour supply. Three categories of vulnerable groups were identified in the study. Across these categories a finite set of discrete barriers interact in different ways to present a 'package' of obstacles that must be overcome. The implication of this for framing effective and efficient labour market inclusion policy is twofold: firstly, responses to labour market vulnerability should focus not only on individual barriers but also more on the dynamics of local labour markets; secondly responses must be comprehensive, addressing all the difficulties that individuals experience. The three categories of vulnerable groups identified were;

(i) People Excluded From the Labour Market

At the most marginalised level are those people whose skill, educational and employment deficits are accompanied by personal and social difficulties. The latter may include literacy and numeracy problems, health and disability problems, low self-esteem, and in some instances particularly acute problems such as addiction, prison records and homelessness. Social groups that experience these difficulties are the most vulnerable on the labour market. They include members of the Traveller community and ethnic minorities whose experience of these issues is often a result of discrimination in society in general.

The problems that people in this category bring with them to the labour market are exacerbated by the reluctance on the part of employers to hire them. Many *service users* believed that employers operated from prejudice and were negatively disposed towards any job applications they made. Some groups experienced this more strongly than others: members of the Traveller community and people with disabilities in particular expressed this problem. In North Dublin, the view was also expressed that employers were unwilling to employ people from certain parts of the city.

(ii) People Displaced From the Labour Market

This category includes people entering the labour market with low skill and/or low educational levels (such as early school leavers, some lone parents, or some women returners); those coming into the labour market with obsolete skills (including those being made redundant, some women returners and the older unemployed) and immigrants whose qualifications may not be recognised. For these, supply side interventions, such as training, education and work experience programmes continue to be highly important. However, demand side issues impact on their labour market well-being too. These include recruitment practices which are often based on informal networks. *Service users* in both areas, for

example, believed that some employers had preferences for people who could or would work for minimum wage and developed their recruitment strategies around this.

(iii) People Unfavourably Incorporated

There is a new and growing cohort of workers who are in employment, but whose incorporation is on very unfavourable terms. There is, currently, evidence of a growth in precarious employment, that is low paid, low-skilled and insecure jobs, resulting in such phenomena as the working poor, and people who are continually in and out of the workforce as jobs collapse. They are not the focus of policy and often do not sign on between jobs, thus not appearing in the official statistics. For people whose only job opportunities are in precarious employment, choices can be quite difficult. For some, the choice is between taking up short-term employment knowing it would be difficult to progress through this, and staying on the dole long enough to qualify for training for the long-term unemployed, which they felt would improve their situation in the longer term.

C. Difficulties Arising Within the Welfare to Work Policy and Provision Framework

Both *service providers* and *service users* identified several obstacles arising from current policy and practice. *Service users* referred to gaps and weaknesses in current provision while *service providers* saw the concept and practice of targeting as problematic in the contemporary situation — in effect, opposite sides of the same coin. Both identified difficulties arising from the dual control / support dimensions of welfare to work provision and the impact of the withdrawal of secondary benefits.

(i) Gaps and Inadequacies in Current Provision

Service users who participated in the Focus Groups had a considerable degree of experience in using services and availing of programmes. The issues they identified as causing most difficulty for them were the following:

- *Poor Information*
Securing information about jobs, welfare and the impact of employment on welfare incomes and secondary benefits were identified as presenting particular difficulties. Not knowing where to seek information and support was a problem for those newly redundant who are not familiar with the system. However, even those who did know where to seek information sometimes found that the agencies they approached did not have accurate information, for example on the impact of earned income on welfare incomes, or on the services and supports that might be available to them.
- *Inadequacy of Provision/Supports*
Some *service users* expressed the view that *service providers* did not fully realise the difficulties they experienced in securing employment and that they did not fully appreciate that vulnerable people are often traumatised and isolated by their experiences or that employer responses to applications for

jobs can be so negative. Certain categories of people also felt their specific needs were not being addressed. These included people with disabilities and members of the Traveller community.

Other aspects in the inadequacy of supports related to the provisions under the Family Income Supplement (FIS). Given the prevalence of low-paid and precarious employment, FIS would appear to be a particularly relevant form of provision. However, the implementation of FIS and the criteria for eligibility render it difficult to avail of, particularly for people with irregular hour's contracts.

- Lack of progression supports
Lack of support for progression from different programmes was also noted, both in terms of progressing into employment and into other programmes. *Service users* felt that it was quite difficult to seek employment directly following participation on a programme, yet often there was no one to provide assistance. Progression to other programmes also presented issues. Most of the *service user* participants felt that agencies do not always work well together and they perceived that they were not benefiting from smooth inter-agency co-operation.

(ii) Limitations of Targeting

The dynamics of labour market exclusion and the different levels of vulnerability, call into question the practice of targeting provision for specific groups of people: such as people with disabilities, members of the Traveller community, lone parents etc. This has been a central element of locally-based responses to labour market marginalisation and social exclusion for over a decade, based on the rationale that members of target groups can share certain barriers. While targeted measures can be of benefit in ensuring that certain groups are not excluded from provision, there is now a more widespread perception among *service providers* that in the contemporary context it is more appropriate to focus on the needs of individuals, rather than on the labels attached to them. The following criticisms of targeting were made:

- it tends to pigeonhole the individual; assumes a generalised need pertaining to the target group and ignores individual circumstances and needs;
- it compartmentalises the issues to be dealt with, fails to see the whole person and fails to see that individuals can belong to more than one target group; and
- it reduces the individual to the level of the problem, seeing them only through the lens of disability, or drug use for example, and thus undermines a more holistic approach.

(iii) The Control/Support Nexus

Welfare to work policy within the social welfare system embodies both support and control mechanisms. The balance currently being struck between these two elements was identified as causing most difficulty by both *service users* and *service providers*. The current context for the implementation of welfare to work policy is a perception of full employment and relatively straightforward access to

employment. There is pressure therefore on the social welfare system to place greater emphasis on the control rather than the support side of welfare to work policy. Similarly, conceptualising current labour market exclusion as a ‘hangover’ from the period of high unemployment has resulted in restrictions in the eligibility criteria for labour market programmes to those whose duration of exclusion is longest, and to a lesser extent to those who are older. Both *service providers* and *users* articulated the view that the greater emphasis on control could potentially be counter-productive. Three issues in particular were highlighted:

(a) Eligibility Criteria

From a *service provider* perspective, eligibility criteria for participation in labour market programmes or for prioritising access to training, which focus on claimants of social welfare payments owes more to financial, administrative and control requirements than to meeting the needs of people vulnerable on the labour market. *Service providers* noted that such criteria could leave certain vulnerable individuals unable to access relevant supports, for example, the partners of low-paid workers, who do not qualify for social welfare payments. Similarly, the concept of spouses ‘swapping’ their eligibility to participate in labour market supports reflects an outdated notion that only one of a two-adult household would seek paid employment. In addition, criteria requiring a long duration of social welfare claim, or restricting access to those over a certain age can mean support is withheld at a time when it might be most useful (for example when a person is newly unemployed, rather than obliging them to become long-term unemployed).

Service users identified a similar set of barriers, particularly for women (although not exclusively so), with the partners of low-paid workers or unemployed claimants being frequently seen by the system as ‘dependents’, rather than labour market active individuals. The requirement to be in receipt of a social welfare payment for an extended period, and/or to be over a certain age threshold (a particular issue for lone parents) presented difficulties — for example, in terms of making a choice between taking a short-term job or remaining unemployed so as to be eligible to participate in training programmes that might improve their situation in the longer term.

(b) Quality of Provision

The quality of provision for vulnerable groups can also be affected by the perception that current exclusion is a result of poor motivation, or lack of interest. This often results in a pressure on the control side of the system, which recognises participation in such interventions (regardless of their relevance or efficacy for a given individual) as ‘evidence’ of satisfying the ‘actively and genuinely seeking work’ criteria. However, high levels of demand for programmes demonstrates that lack of interest on the part of individuals may not be the most important influence. A related issue is the perception on the part of specific groups — such as members of the Traveller community, or people with disabilities, that *service providers* are unaware of how to address their needs, despite training, to a more general perception that some programmes were of poor quality.

(c) Distrust of the System

The consultants noted a level of reciprocal distrust between the service provision framework and *service users* who cited negative experiences of being referred for interview under the Employment Action Plan, which was often seen as being more focused on form filling and identifying fraud than offering appropriate supports (Many *service providers* also questioned the value of this process in achieving sustainable labour market integration outcomes). For their part, *service users* expressed a number of criticisms of the service provision framework and the agencies operating within it. This included the view that *service providers* do not fully appreciate the level of difficulty that vulnerable people experience on the labour market; that they do not fully understand the prejudice they experience from employers and, in some instances, that they do not adequately cater for their needs. More specifically, *service users* also expressed the view that they had difficulties trusting a system they perceived to be more about control than support.

Broader Policy Context

Finally, there was the issue of the influence of the broader policy context on labour market activity and decision making. The impact of earned income on welfare income and on secondary benefits has been flagged as a major barrier on progression to employment for welfare dependent people for some time now. From the perspective of *service users* there were two main dimensions to this issue:

(i) Loss of Benefit as a Result of Moving into Employment

Firstly, the actual loss of benefit as a result of moving into employment is too great for some households to sustain given the high costs associated with purchasing social goods, especially the loss of the medical card and rent allowances. For households with children, losing their medical card exposes them to a significant burden on earned income amounting to a financial penalty for taking up employment. Similarly, in the current housing context, people depending on rent allowances, are unlikely to be able to move into employment that would enable them afford market rents.

(ii) Withdrawal of Secondary Benefits

A second issue in relation to the withdrawal of secondary benefits arises from the complexity of the current system. Within this, and in the context of inadequate information already noted, people find it difficult to ascertain exactly what will happen to their benefits if they take up employment. One participant related how, when she sought clarification on this issue, she was advised to take the job and 'we will sort it out later'. For people in difficult financial circumstances, however, this kind of approach is not an option. Consequently, lack of accurate information in itself and the fear of loss of benefits, also act as real barriers.

Flexible Needs-Based Approaches

The central premise of flexible needs-based approaches is that each individual can receive the supports that they require, when and where they require them. This would be a difficult scenario to develop in a green-field situation; it is all the more so in the current context of supports and practices that have been in place for over a decade. *Service providers* identified a number of key challenges in the contemporary situation.

- to a large extent, the programmatic approach to labour market exclusion, which emerged in the late 1980s as a response to mass unemployment, remains intact. While many of these programmes continue to be relevant, the 'one-size-fits-all' approach is now over-restrictive;
- some modifications have been made to programmes in response to the changed context; however, these have tended to be driven by administrative or financial imperatives rather than by the needs of *service users*;
- eligibility criteria for programme supports are based more on administrative concerns rather than the needs of individuals can be counter productive by withholding an intervention when it may be most needed and risking subsequent demoralisation;
- the practice of targeting, while useful in ensuring that very marginalised groups get provided for, is increasingly being seen as little more than fragmenting the nature of the problem and, more importantly, the nature of the response;
- some *service providers* felt that their funding Department/Agency saw them as being in the business of simply managing money rather than pursuing socially progressive objectives. Consequently, they did not value monitoring as it did not capture the quality of their work.
- the provision of short-term funding linked to specific projects ties them to a programmatic approach and may make them reluctant to deal with hard to place groups; and
- finally, there is awareness among *service providers* that a needs-based approach carries implications for staff development, training and costs.

Multi-Faceted Interventions

The underlying principle of multi-faceted interventions is that the range of difficulties that vulnerable people experience can only be addressed effectively in a timely and integrated manner. The survey of *service providers* elicited information on the forms of provision currently in place and on the extent of collaboration and inter-agency working. In both areas, there was a significant degree of working jointly with other agencies. Consultation with representatives of *service users* was widely reported as was direct outreach to user groups.

Overall, it appears that there is a considerable degree of inter-agency collaboration already in place. However, a number of significant difficulties with this were identified. Firstly, it was widely noted that inter-agency working tended to be *ad hoc* and invariably dependent on personalities rather than on strategic approaches. In its place, *service providers* argued that inter-agency working should be formally structured into the work of local agencies and reflected through mechanisms such as building it into job descriptions and staff review processes and through capturing the extent and effectiveness of inter-agency working in performance indicators. In terms of promoting more formal levels of integration or co-ordination at local level, significant problems also exist.

Among the local interventions established over the years, there are a number that were set up explicitly to have a co-ordinating role at local level. Included among these are the Area Based Partnership Companies, the Local Employment Services, the Drugs Task Forces, the RAPID/CLÁR programmes and the County and City Development Boards. While these organisations have been successful on a number of fronts it was felt that they have not succeeded in promoting strategic or comprehensive integration at local level. Two reasons were identified for this:

- The mechanism to secure integration exists at Board level, rather than executive level. In the experience of many of the *service providers*, it is difficult to get all the relevant agencies, at a senior level, to participate on the Board. This produces a double-edged effect: on the one hand it delimits the capacity to draw on the budgets and expertise of agencies and to adapt these to meeting local needs; on the other hand it means there are no mechanisms to bring learning into the agencies at central level and enhance mainstreaming outcomes.
- In the absence of being able to influence the budgets and programmes of national agencies, and in the context of gaps in mainstream provision, agencies that were set up to co-ordinate services at local level find themselves being turned into *service providers*.

Once this shift occurs, it has a self-perpetuating effect, with the result that agencies that were set up to co-ordinate have become part of the plethora of activity that now needs to be co-ordinated.

Comprehensive Approaches

The essence of a comprehensive approach is that barriers in all the arenas associated with the labour market can be addressed, including those arising in relation to social policy. The main limitations of local approaches to date are that the full range of policies relevant to achieving labour market and social inclusion have not been devolved to the local level. Public transport and education policies are examples here. Conversely, those areas of policy that are implemented locally appear to have been over-devolved to the local level. That is, there has been a systematic failure to develop coherent national frameworks to support and underpin actions at the local level. Coherent national frameworks are essential to supporting local interventions and in transferring innovation to the national context — issues that were clearly identified by participants in the Focus Groups.

Inclusive Local Labour Market Strategies: Elements of Good Practice

Based on the foregoing discussion, we can conclude that inclusive local labour market strategies must be capable of meeting the full range of difficulties experienced by individuals in the labour market. This means addressing:

- the personal circumstances of individuals;
- the educational and skills deficits of individuals and employer practices and prejudices;
- anomalies and welfare traps that arise within the context of social policy provision; and
- the local economic context.

In the process of labour market exclusion, barriers are rarely experienced individually, but in groupings or clusters. If comprehensive approaches to creating a more inclusive labour market are to be identified, it is necessary to engage with all of the arenas within which barriers arise. One of the main implications of this approach is that the concept of good practice residing in a specific intervention has to be reconsidered. If good labour market practice is understood as enabling individuals make the transition from welfare dependency to stable employment, then what is important is that all the elements necessary to identify and address the needs of individuals are in place at local level — in effect, a choice (menu) of services, from which every vulnerable individual can choose or be assisted to choose those appropriate to their own needs.

Research Study — WRC Conclusions and Recommendations

This study explored the contemporary experience of labour market vulnerability in two parts of the country. Its focus was on the dynamics of local labour markets within which vulnerability is experienced and the economic and infrastructural contexts within which local labour markets are situated. The key points highlighted by WRC are as follows;

Macro Economic Changes Can Have Major Impacts at the Local Level

People who experience social and economic exclusion tend to seek employment close to where they live. Macro-economic processes that can produce net benefits at national or regional level may have a very negative impact at local level. The result is that, notwithstanding buoyant employment growth at national or regional level, the localised labour markets that vulnerable people operate in can be characterised by low level of demand, skills-mismatches and precarious employment. Labour market vulnerability must be understood in this context, and policy responses to create an inclusive labour market acknowledge in a real and strategic way the local dimension.

Labour Market Vulnerability is Intrinsic to Contemporary Economic Processes

Contemporary economic processes, involving sectoral shifts, the decline of traditional industry and the existence of precarious employment are, in combination with employer practices and preferences, reproducing labour market vulnerability. This is not an aberration or a left-over from the 1980s or early 1990s. Rather it is being reproduced within contemporary socio-economic processes. It is important that labour market policy fully acknowledges this and develops responses capable of dealing with the ongoing occurrence of vulnerability. The existence of precarious employment and low pay highlights how a job is not always a way out of poverty.

Labour Market Vulnerability is a Function of Labour Market Dynamics

In the past there has been a tendency to view labour market vulnerability as deriving almost solely from the personal and labour market characteristics of individuals or more usually of specific target groups. This study has argued that this vulnerability is in fact derived from the dynamics of local labour markets wherein demand side factors and the broader economic and policy context, contribute to the overall well-being of individuals. Consequently, inclusive labour market strategies must avoid an over-focus on marginalised individuals and engage also with the broader context within which they are rendered vulnerable.

Categories of Vulnerable People

On the basis of labour market dynamics within its broader context, the study identified three categories of labour market vulnerability. They were people;

- who experience severe levels of vulnerability and are effectively excluded from the labour market;
- whose problems are less severe but who experience displacement; and
- who are in low-paid and insecure employment.

Over time, there can be considerable movement between these categories particularly the latter two. Of concern is the possibility of those who currently experience displacement or unfavourable incorporation becoming excluded in the absence of appropriate interventions. Against this backdrop, there is a need to reassess the practice of targeting labour market programmes and other supports and to investigate the greater potential impact of a needs-based approach.

People who are vulnerable on the labour market experience barriers ‘in the round’

Directly linked to the above, is the fact that while barriers to employment can be delineated individually at an analytical level, in reality people experience them ‘in the round’ or in clusters. Moreover, people are aware that the clusters of barriers they experience straddle different arenas as identified earlier and this impinges on their decisions to address any particular barrier. The implication of this is that it is necessary to respond to people’s needs in a multi-faceted way.

Dealing with barriers ‘in the round’ requires local labour market inclusion strategies

The concept of local labour market inclusion strategies follows directly from the need to address all of the barriers that vulnerable individuals experience. If labor market policy is to enable individuals make the transition from welfare dependency to stable employment, then what is important is not that there are specific programmes that try to achieve this, but that all the elements necessary to meet the need of individuals at local level are in place. The parameters of local labour market inclusion strategies were identified earlier as:

- localised interventions that are capable of dealing with the specifics of the labour market:
- flexible and needs-based approaches that can cater for individual needs while recognising the shared experiences of certain groups;
- multi-faceted interventions that can address the multiple barriers that individuals encounter; and
- comprehensive approaches that can address barriers in all four arenas identified earlier.

Systematic and Strategic Inter-agency Collaboration is Required at Local Level

The first three of above parameters present significant challenges in relation to developing greater inter-agency co-operation and integration. Currently, such integration is *ad hoc*, partial and fragile. Developing inclusive local labour market strategies would require a robust and open-ended assessment of the current situation, identifying duplication, gaps, inadequacies on the one hand, and strengths, effectiveness and capacity on the other.

Need for Greater Integration Between Local Agencies and National Planning

This study has argued that major factors contributing to labour market vulnerability are located within the social policy context and within economic processes. Currently, efforts to respond to labour market disadvantage and vulnerability at local level are being implemented with little or no engagement with these issues. In the context of changing employment situation at national level, it is now timely to reassess the relationship between local and national levels in relation to combating labour market vulnerability.

C

PART C

Summary of Submissions Received

A call by the Project Team for written submissions on *Creating a More Inclusive Labour Market (CILM)* was placed in the main national newspapers. A total of 50 submissions were received from a range of individuals and organisations with an interest in or experience of this area. A large proportion of these were from voluntary organisations and local services. Submissions were also received from a number of individuals, as well as from statutory agencies and colleges. A list of all those who made written submissions is as follows:

Aontas, National Association of Adult Education – Ms Bernie Brady

Area Development Management Ltd – Ms Breda Kennedy

Ballyhoura Development Ltd, Co. Limerick – Ms Annette O'Regan

Ballymun Job Centre – Mr Mick Creedon

Ballymun Local Drugs Taskforce – Ms Marie Lawless

Blanchardstown Area Partnership – Mr Conor Ryan

Bray Partnership – Ms Mary O' Carolan

Chambers of Commerce of Ireland – Mr Robert O'Shea

Clare County Development Board

Community Partnership Network, Co. Cork – Toni McCaul

Mr Denis O'Brien, Co. Galway

Dublin Employment Pact – Mr Philip O'Connor

Dr Arthur O'Reilly, Dublin

Dr Richard Wynne, Dublin

Equality for Women Measure

Finglas/Cabra Partnership – Ms Anne Fitzgerald

Institute for Mental Health and Recovery Ltd – Mr Kieran Crowe

Irish Congress of Trade Unions – Ms Paula Carey

Irish National Organisation of the Unemployed – Ms June Tinsley

Irish Rural Link, Co. Westmeath – Mr Seamus Boland

Irish Wheelchair Association – Mr Olan Mc Gowan

IRD Duhallow Ltd, Co. Cork – Ms Kathryn O'Donnell

Mr John McGinley, Co. Tipperary

Ms Mary Sheenan, Co. Cork

Migrants Rights Centre Ireland – Ms Siobhan O'Donoghue

National Disability Authority – Ms Eithne Fitzgerald

National Adult Literacy Agency – Ms Helen Ryan

National Consultative Committee on Racism and Interculturalism (NCCRI) – Ms Anna Visser
National Women’s Council of Ireland – Ms Claire Dunne
Northside Partnership – Ms Fiona Nolan
Northside Partnership Local Employment Service Network
One Parent Exchange and Network (OPEN) – Ms Frances Byrne
PACE – Ms Lisa Cuthbert
Pavee Point Travellers Centre – Ms Brid O Brien
PLANET – Mr Brian Carty
Rehab Group – Dr Donal McAnaney
Mr Rory Donegan
Mr Rory O Sullivan, Killester College, Dublin.
Schizophrenia Ireland
Skillnets Ltd – Ms Marie Cleary
Southside Partnership – Ms Mary McNutt
South Tipperary County Development Board
The Chartered Institute of Personal and Development in Ireland – Mr Michael Mc Donnell
Tallaght Partnership Ltd – Ms Anna Lee
Tuatha Chiarraí Teo, Co. Kerry – Mr Tom O’ Donnell
University of Limerick – Mr Dermot Coughlan
Waterford Local Economic Development Company
Wicklow County Development Board – Ms Margaret Malone
WITH/Cúram – Ms Áine Uíhíollagáin
Women’s Health Council – Ms Aoife O’Brien
Workers Research Centre – Dr Carmel Duggan

The following is a brief summary of the main points raised in the submissions. They were fully considered by the Project Team in their discussions.

Client Groups

The submissions welcomed the focus on unemployed people, redundant workers, women returnees, young low-skilled workers and marginalised groups. Several submissions expressed the need for a number of vulnerable groups to be considered within the work of the Project. These groups included parents and carers, ex-prisoners, people with mental and physical disabilities, older workers, Travellers, asylum seekers and refugees, migrant workers, farmers and small holders, and people with drug and alcohol dependencies.

While drawing attention to the varying experiences, circumstances, needs and expectations of these different vulnerable groups, many submissions recognised the added difficulties facing those suffering multiple disadvantages, a mother with a physical disability interested in returning to work being a prime example. It was felt that this issue should also be considered by the Project Team. Many of these submissions provided a rationale for including the aforementioned groups. These are summarised as follows:

Parents and Carers

While submissions welcomed the focus on women returning to the labour market, a small number also stressed the needs of men who are seeking to return to work. According to one submission, there are approximately 4,500 men caring for children and other dependent family members on a full-time basis. Difficulties for people in this category arise from limited parental leave arrangements, lack of flexible and affordable childcare and respite care, limited availability of family-friendly work practices (i.e. part-time work, job sharing, teleworking etc.), and failure on the part of employers to give credit for skills developed while in caring roles.

Ex-Prisoners

Submissions referring to ex-prisoners drew attention to the range of obstacles they face in accessing and maintaining employment. These include, among others, low self-esteem, lack of educational qualifications and training, insecure housing, lack of recent job experience, difficulty in setting up a bank account and employer discrimination.

People with Mental and Physical Disabilities

Submissions highlighted the difficulties people in this category face both in terms of finding and maintaining employment. Discrimination, the potential loss of long-term benefits on taking up employment, the lack of appropriate public transport facilities, the inaccessibility of some workplaces and the lack of pre-employment and in-work supports were among the concerns identified.

Older Workers

The need to support the retention of older workers in the workforce was highlighted. The links between age, health, disability and economic inactivity were acknowledged and in this context, submissions drew attention to the need for a more comprehensive strategy to support both the short- and long-term needs of the older workforce.

Travellers

Discrimination is a key factor underlying the difficulties Travellers face in accessing the labour market. Lack of adequate supports for self-employment was highlighted as another key consideration, as was the limited amount of training available for frontline staff on issues facing Travellers and other vulnerable groups.

Asylum Seekers

Here attention was given to the impact of 'direct provision' in terms of creating an enforced dependency on the State and compromising people's ability to earn an adequate income. Discriminatory practices in training and work environments were also highlighted as key concerns for people in this category.

Migrant Workers

Submissions referring to migrant workers highlighted problems arising from the work permit system, including that it creates an over-dependence on employers. Reference was also made to anecdotal evidence which suggests that migrant workers do not tend to be considered for training and progression opportunities because of the short-term nature and insecurity of their employment.

Farmers and Small Holders

With the decline in farm incomes, there is a growing need to combine farming with other forms of employment. In this context, submissions highlighted the need for further investment in farming and for the development of appropriate training opportunities to assist farmers and small holders to generate incomes from complementary sources.

People with Drug and Alcohol Dependencies

Submissions highlighted a range of employment barriers for people in this category, including early school leaving, limited education and training, inconsistent job histories and criminal records. Submissions also highlighted the lack of appropriate employment support mechanisms for people in this category.

The best way(s) local labour market and social inclusion measures, acting together, can help those who have the greatest difficulty getting employment.

A number of submissions provided some suggestions as to how local labour market and social inclusion measures can help those in greatest need. These suggestions fell under a number of distinct but interrelated headings, as follows:

Developing an Integrated Approach

Many submissions referred to the range of statutory and non-statutory organisations involved in supporting people into the labour market and acknowledged that the barriers they face cannot be addressed by one government department or agency alone. However, it was also acknowledged that the range of services to assist people into employment can be confusing to clients. As one submission put it: *“Often clients get lost in the jungle of provisions, agencies and services – assuming that they are willing to enter this jungle at all.”*

For this reason, the need for a more coordinated process of service delivery was stressed. However, a more commonly cited suggestion was the need for a more integrated approach to meeting people’s labour market needs. According to one submission: *“A multi-faceted solution is necessary which is integrated, locally based, and incorporates the input of a multiplicity of agencies.”*

A fundamental component of this partnership approach should be to involve groups at risk of exclusion in the policy development and strategic planning processes. One submission drew attention to the roles that community partnerships have played in this area, noting that they are well positioned to help support and enhance the development of a more inclusive labour market. In overall terms, it was felt that more strategic links are required between government departments, health boards, trade unions, local organisations, employers and employees.

Developing Locally-Based Responses

While recognising the importance of a partnership approach involving all the key stakeholders, submissions stressed the need for locally-based services to work together to meet the needs of marginalised groups. In terms of people with disabilities, for example, it was felt that close collaboration is required between local health boards, local employment services, local housing services and local employers.

Developing One-to-One Supports

As previously mentioned, the submissions highlighted the needs of a broad range of groups and drew attention to those who are at a particularly high risk of labour market exclusion. It was acknowledged that additional supports may be required for these groups. One-to-one support was considered to be a key strategy for identifying their individual needs, although it was recognised that the amount of support required will differ depending on the participants involved. In this context, some submissions stressed the need for a mentoring service, particularly for people who are self-employed or starting up. According to one organisation involved in providing one-to-one supports: *“Participants are seen and treated as individuals instead of belonging to a specific category or target group. Flexibility and innovation allows us to move away from a ‘one-size-fits-all’ approach.”*

Developing Tailored Education/Training Led Progression

In response to the impact that low skills and low levels of educational attainment have on people’s employment opportunities, submissions placed a high emphasis on education and skills training as a channel for labour market progression. It was felt that training programmes should be tailored to meet both individual and group needs. Submissions highlighted some examples of this type of training including support for the self-employed, training and mentoring in start-up enterprises, and tailored programmes covering CV preparation and interview and assertiveness training.

Developing Labour Market Schemes

It was acknowledged that schemes such as the Social Economy Programme and the Community Employment Scheme have played an important role in assisting those with greatest need to access the labour market. However, it was felt that there are anomalies in the schemes which need to be addressed. For example, there is currently limited provision for people with mental and physical disabilities and no targeted provision for people with low self-esteem, many of whom are falling into Disability Benefit. Other concerns relate to the flexibility of the schemes, especially in terms of working hours and weeks. It was felt, for example, that the start time of 8.30am for FÁS training courses is a major disincentive for people with family commitments and for those travelling long distances. As well as making changes in each of these areas, submissions suggested the introduction of accreditation or certification of all community training and education initiatives.

Urban and Rural Differences

Several individuals and organisations highlighted rural issues which act as barriers to labour market inclusion and which needed to be taken into account. It was felt that progress in reducing unemployment in recent years has not been felt as strongly in rural areas as it has in urban areas. Many submissions noted the significant levels of migration of workers from particular rural regions (for example, the BMW region) to Dublin and other urban centres. Submissions also noted the high levels of under-employment in rural areas, particularly among farmers and small holders, women, lone parents, and older workers. A related consideration is the reduced viability of farms and the growing reliance of farming households on off-farm employment. Particular difficulties are also arising from a lack of suitable alternative employment opportunities in rural areas.

Women were singled out for specific mention, not least because of a lack of accessible and affordable childcare facilities in many rural areas. Another important consideration for women living in rural areas is the dominance of traditional employment, i.e. manufacturing, construction and engineering, leading to low female participation rates.

Other factors which need to be taken into account include the decline in agriculture, redundancies in traditional enterprises, lack of competitiveness in attracting inward investment, limited skills to meet employment opportunities outside agriculture, cutbacks in the level of public service provision in some rural regions, poorly developed transportation facilities, and lengthy distances to jobs. According to one submission, for example:

To address the difficulties it was suggested that local rural taskforces be established under the auspices of the County Development Boards to agree five year rural action plans. Key actions under these plans could include: an examination of the training and educational needs of vulnerable groups; an examination of local employment opportunities, patterns of employment, and participation levels of vulnerable groups; the development of targeted measures for vulnerable groups; and an assessment of models of best practice.

Models of Good Practice

The key attributes in models of good practice were set out in a number of the submissions received. Successful models were considered to comprise a combination of the following types of measures:

- targeted and well focused with a clear set of aims and objectives;
- based on proper coordination between all the people and agencies involved at local, regional and national levels;
- coherent and integrated across a range of interventions;
- measures based on an informed understanding of local needs and conditions;
- clear in terms of the level of supports required for effective participation and the achievement of positive outcomes;
- flexible and adaptable;
- capable of meeting gaps in the employment market; and
- can balance employer demands with relevant supports for job seekers.

A broad range of models of good practice was highlighted across the submissions. These were primarily Irish examples, with only a small number focused on areas outside of Ireland.

Submissions acknowledged the difficulties involved in transferring and extending the knowledge gained from these models of good practice. One submission stated that progress in this area will be strongly influenced by the capacity of those working at national level to be receptive to lessons arising from local level. Despite such reservations, however, a significant number of the submissions stressed the importance of mainstreaming models of best practice.

Identifying Any Financial Dis-Incentives and Other Barriers to Taking up Work

Submissions gave considerable attention to the main financial and non-financial barriers to taking up employment particularly the interaction between the tax and the benefit system which was described as providing a major financial disincentive to taking up employment and self-employment, particularly where a loss of secondary benefits might be incurred. One of the key concerns here is the potential loss of the medical card. As one submission put it: *“The long-term costs of being on a low income and not having a medical card can cause financial problems to people (especially parents) who may neglect their own health because of the cost of attending a GP and the price of prescription drugs.”* Loss of the medical card was considered to be a particular concern for families with young children, people with mental and physical disabilities, Travellers and other minority ethnic groups. To address this issue, submissions proposed raising the eligibility criteria for the medical card and guaranteeing its retention for up to five years after taking up employment. The question of raising the threshold for the retention of secondary benefits was also raised in regard to participants on CE, the Social Economy Programme, and the Job Initiative Programme.

One submission stated the following: *“The threshold of €317.43 has not been raised since 1994 and this is a disincentive for people to return to the workforce. It has not kept pace with inflation, wages or increased social welfare payments and this can result in a substantial loss of income if the wages offered upon the take up of employment are above the threshold.”*

Other problems were highlighted for lone parents, most notably the employment disincentive resulting from loss of the One Parent Family Allowance on commencing the Job Initiative Programme. Concerns were also raised about the rules attached to the Supplementary Welfare Allowance, for example: *“The Department of Social and Family Affairs Supplementary Rent Allowance rule that if a person takes up paid employment, they may only keep the first €50.00. This is a disincentive for a person to return to work.”* The progress that has been made in recent years to address both these and other related unemployment traps was noted in a number of the submissions. However, it was generally felt that a lack of information about benefit rights and entitlements, particularly on taking up employment, is contributing to high levels of uncertainty about the financial impact of employment and self-employment. According to another submission: *“The perception of an unemployment trap may be sufficient to deter an individual from seeking employment or accepting a job opportunity. In addition, local discrepancies in the rules applied may exacerbate both the scale of the unemployment trap and uncertainty about it.”*

The high cost associated with both childcare and respite care was also highlighted as a major financial barrier to employment, particularly for women. This, coupled with a general shortage of accessible affordable childcare and other caring options, prevents many people from entering the workforce. The inflexible working hours in some organisations contributes to this problem and has a particularly high impact on women, lone parents and those living long distances from work. It was felt that flexible working arrangements would facilitate workers to avail of opportunities for further training and support their retention in the labour market.

By way of going forward on this issue, submissions expressed strong support for the more widespread introduction of arrangements already in place in the Civil Service, i.e. flexi-time, distance working, job sharing and term-time working. There was much support for the introduction of ‘family-friendly’ or ‘work-life balance’ policies. Ireland is now one of the minority of EU 15 countries without any statutory paternity leave and is one of only six where parental leave is unpaid¹³⁶.

Illiteracy and low levels of literacy were highlighted as barriers both to accessing and sustaining employment. Concern was expressed that this is a largely hidden phenomenon. In terms of employment, the signing of time sheets and other documentation can present major obstacles. It was felt that this issue should be brought to the fore and that specific provisions should be put in place to assist people to develop their literacy skills. One suggestion was to extend the FÁS/VEC Return to Education model for Community Employment participants with literacy difficulties, introduced by the National Adult Literacy Agency (NALA).

A significant and increasing barrier relates to levels of education and training. In this context, submissions referred to the changing nature of the employment market, “where the concept of ‘employability for life’ and not a ‘job for life’ is now the goal for individuals within the labour market.” It is against this background that submissions highlighted the importance of lifelong learning to meeting employment needs. One submission put it as follows: *“Individuals experiencing exclusion as well as agencies and institutions supporting the integration of individuals will have to adapt and change to the need of the new global economic situation and the labour market if the goal of a more equitable society is to be achieved.”* Thus, it was felt that a key priority should be to assist people to acquire new knowledge and skills throughout their careers in order to maintain their levels of employability over time.

The limited availability and poor quality of public transport was identified as a major physical barrier to employment, particularly for people with disabilities, people living in rural areas and parents who are unable to find employment in areas close to childcare centres and schools.

Discrimination was highlighted as another employment barrier. Here attention was drawn to a broad range of marginalised groups, namely women, Travellers and other minority ethnic groups, people with disabilities, people in older age groups, migrant workers, asylum seekers and refugees, and ex-prisoners. Concern was also expressed about existing legal barriers to employment, particularly for asylum seekers who are unable to work or participate in labour market programmes. The impact of this was summed up as follows: *“The prohibition not only contributes to the social exclusion of asylum seekers, particularly in view of its impact on self-esteem and integration into society, but it also rules out a potential source of skilled labour. Research carried out by Partnerships shows that a significant proportion of asylum seekers are highly skilled and educated.”*

The structure of existing education and training schemes was also criticised. Although it was acknowledged that an extensive suite of education and training courses are provided in Ireland, they were not always available at times and in locations suitable to *service users*. According to one submission: *“The hours are unsuitable for those living in remote rural areas and access to the centre is often a major problem for those intending to participate.”*

Low levels of confidence and self-esteem were also identified as major obstacles to employment, particularly for people with mental and physical disabilities, ex-prisoners and people with drug and/or alcohol dependencies. Submissions recommended the need to take account of these issues in the development of all aspects of training and employment. A lack of part-time opportunities in both urban and rural areas was identified as another major employment barrier.

Submissions highlighted problems related to a lack of information and knowledge in a number of areas. One such area concerns self-employment and the various procedures and requirements attached to it. A lack of information on employment incentive schemes was also highlighted, for example, the Workplace Equipment/Adaptations Grant, the Employment Support Scheme and Revenue Assist. In general, submissions called for an increase in the level of knowledge and information available on various employment provisions and incentives and greater availability of local information centres.

Assessing How the Performance of the National Employment Service Should be Measured

Many submissions asserted that the manner in which the overall performance of the Public Employment Service is monitored is currently too narrow in focus. In terms of going forward, there was a need to ensure good quality standards of service and employment provision in both rural and urban areas. There was a need to enhance the existing suite of performance indicators and by so doing, to ensure that services were judged not only in terms of access to employment, but also in terms of their capacity to obtain good quality and sustainable employment for all. It was suggested, therefore, that performance indicators should be holistic in nature and capable of capturing a broader range of issues than simply transition into a job or training. An important means of doing this is to measure progress qualitatively (through research) as well as quantitatively (through computerised tracking systems).

Another submission proposed establishing an Independent Evaluation Unit similar to the Gender Evaluation Unit to continually monitor labour market progress. A further suggestion was that this unit should be linked to the equality legislation and in turn, to the Equality Authority.

Emphasis was placed on the need for good quality and timely baseline data to facilitate the performance monitoring process. It was felt that information on individuals should be collected at the point of accessing services. Appropriate tracking mechanisms should also be put in place to ascertain the nature of people's engagement, how long they have been engaged, and what progress, if any, has been made in terms of meeting their needs. The need to protect client confidentiality was an important consideration for data collection and subsequent performance monitoring.

The development of baseline data requires good coordination with key stakeholders, including both strands of the employment services (i.e. FÁS and the LES), the Department of Social and Family Affairs, education providers, community and voluntary agencies, and the social partners. Another consideration is to establish what exactly is meant by 'successful outcomes' for participants. According to one submission: *"Success for the participant might be that they have continued in the ALMP and/or training or addressed a personal barrier such as literacy difficulties or an addiction"*.

It was generally agreed that the performance indicators developed should be set at a local level and reviewed in the context of outcomes and value for money. Another suggestion was that they should be realistic in terms of the level of intervention required and the level of resources available. Overall it was suggested that indicators should measure success in terms of the following:

- quality of work involved (information, guidance, mediation etc.);
- quality of the inputs on offer to the individuals (mediation, training, childcare etc.);
- access achieved by groups that require ongoing support and flexibility;
- sustainability of interventions; and
- labour market relevance of the training/work offered.

A number of specific performance indicators were suggested as follows:

Drop-out Rates — An acceptable drop-out rate on education and training programmes should be established. The actual drop-out rates should be investigated and compared against this figure. Reasons for higher than expected drop-out rates should be established and response measures put in place, as appropriate. It was considered important that this type of assessment also takes account of any additional barriers experienced by people with disabilities, ex-offenders etc.

Geographical Variations — Performance indicators should be sufficiently sensitive to capture differences in service provision across geographical locations. For example, that some locations may have a higher need for training and education opportunities for people with disabilities, while others may require additional supports for Travellers and other minority ethnic groups.

Service Co-Ordination — Indicators which focus on the nature and extent of coordination between services should be established. A key consideration here is the extent to which there is an unnecessary duplication of services. Another major consideration is the extent to which the individuals and groups in greatest need are receiving the supports they require.

Preventative Strategies — Performance indicators should also be developed to capture the existence and the effectiveness of preventative strategies. This was premised on the belief that “prevention of exclusion is a more effective than current strategies based on reintegration.”

Target Groups — Performance indicators should be capable of establishing the extent to which individual employment goals have been achieved. There was a need to move away from ‘a one measure fits all’ approach to delivering services to different target groups.

Education and Training — Key indicators might include the percentage of young people (or other target groups) that attain a qualification or are employed by the end of the first year and the percentage of young people who are retained in employment at the end of the second year.

Equality — Training, education and employment programmes should be assessed against a key set of equality indicators to ensure compliance with the Equality Legislation. A similar assessment should apply to places of employment, as well as recruitment and promotion procedures. Equality proofing should be a key component of work on monitoring and evaluating the services that are currently in place. One submission added rural proofing and poverty proofing to this list.

Anticipatory Approach to Identify and Plan Responses to Job Loss in Vulnerable Sectors

While continued economic growth and significant increases in employment were identified as positive developments, some submissions expressed concern that these developments were masking other labour market realities, such as the prevalence of poor quality employment and the impact of job losses in recent years. According to one submission, for example: *“The nature of the two-tier employment growth (i.e. high skilled, mainly technology/ professional jobs) or service sector jobs (currently regarded as low-skill) give cause for concern in respect of meeting the employability needs of older people, those with low level education or skill set, those working in vulnerable sectors and those with caring responsibilities. An anticipatory approach is required to identify and plan appropriate responses to job losses in vulnerable sectors.”*

The Development of Workplace Model(s) that Support Low-Skilled Workers

As one submission noted: *“A current concern is the emergence of a significant number of young unskilled workers in low-paid employment. A downside of the recent rapid growth is that, given easier access to employment, many young people — particularly those from low-income backgrounds — are eager to seize the opportunity to work, irrespective of the fact that work offer little opportunity for career advancement ... Longer-term goals of career advancement and security of work are not sufficient incentives for a large number of young people to complete their education.”*

Submissions emphasised the need to encourage more employers to *“see the benefit of up-skilling their employees”* and drew attention to some methods which have been used to date, albeit with varying degrees of success. These included job rotations (temporarily replacing employees while they undertake relevant training), training subsidies (assisting employers to employ appropriate trainers and to deliver training on-site), and financial compensations (awarded to employers to compensate for reduced levels of productivity during training). Personal Development Plans were identified as being critical to career planning and lifelong learning, particularly for young low skilled workers. As one submission stated: *“An essential component of good performance is the creation of a personal development plan for each individual employee. There is a misconception that development plans are only relevant to highly qualified employees. Guidance and encouragement at an early stage of a young employee’s working life can help to overcome problems which, if neglected, can become chronic inhibitors to employability or career development.”*

Mentoring was highlighted as an important mechanism for supporting young low skilled workers. This should be provided on an individual basis and be focused on identifying long-term career goals and the steps towards achieving them. Models of good practice in supporting young low-skilled workers which have arisen from the Local Development Social Inclusion Programme (LDSIP) were also set out. These models include initiatives undertaken by the Dublin Employment Pact in conjunction with Northside, Clondalkin and Tallaght Partnerships and Westmeath and IRD Duhallow Ltd. Factors associated with the success of these models include the flexibility of the training modules, the experience of the tutors engaged in the LDSIP programme, the links with local education personnel and the VEC, and the ongoing involvement of employers and employees.

The needs of young low-skilled workers with literacy difficulties were emphasised. Particular attention was drawn to the Workplace Basic Education Model (provided by the National Adult Literacy Agency, with funding from the Department of Education and Science). This model gives employees an opportunity to attend a basic education course focused on their workplace needs. It includes numeracy, communication skills, computer skills, interpersonal skills, problem solving and report writing. The success of this programme was attributed to high levels of co-operation and close liaison between companies and literacy providers. On this issue, another organisation stressed the importance of avoiding value-laden terminology, such as 'literacy and numeracy' training, and replacing it with 'essential skills' training or 'personal development' training.

One submission outlined the contribution made by the Training Networks Programme (established by Skillnets Ltd.) to supporting low-skilled workers. The benefits of this network-based approach to both identifying and meeting training needs were identified as: facilitating the engagement of large numbers of companies in a shorter timeframe than would otherwise be possible. The need for the accreditation of work-based training was highlighted so that employees would know where they stood within the system and to provide them with the possibility of further progression.

Annexes

Annex I List of Presentations made to the Project Team

- Department of Enterprise, Trade and Employment
- Department of Social and Family Affairs
- Department of Education and Science
- National Women’s Council of Ireland
- National Disability Authority
- National Qualifications Authority
- ADM – RAPID
- FÁS
- Ballymun and Ballyfermot Job Centres
- Fingal County Council
- IBEC
- ICTU
- Senator Joe Mc Hugh

Annex II Terms of Reference for the Commissioned Research Work

The following research work was commissioned by the NESF as part of the work of the Project Team. The two selected areas of research were Dublin North City and Co. Donegal/Co. Sligo. The targeted groups will be those people who have the greatest difficulty getting employment including long-term unemployed people, women returners, Lone Parents, People with Disabilities, Young People at Risk of Unemployment, People with Low levels of Education or Skills, Ex-drug Misusers, Ex-offenders, Travellers, Homeless People, Refugees etc.

There were three elements to this research as outlined below.

1 Identify and examine examples of the best way(s) local labour market and social inclusion measures, acting together, can help those who are experiencing difficulty to get employment.

Within the two areas, a selected range of provider groups and representatives of client user groups and other stakeholders will be asked for their views on:

1. examples of best practice innovative approaches involving statutory organisations, employers, unions and civic society in the shaping up of local labour market and social inclusion measures that contributed to successful employment outcomes for people — along with available evidence to support their view; and
2. best practice elements within any such approaches along with available evidence to support their view (i.e. where the outcomes may not have lived up to expectations but very valuable learning happened anyway).

The types of measures included will be training/further education/literacy/enterprise start-up support/employment service support/active labour market measures/social welfare employment supports¹³⁷/childcare/positive action measures etc.

The bodies to be consulted locally will include FÁS, Education, Partnerships Companies, ADM Community Groups, Leader Companies, County & City Development Boards, County & City Enterprise Boards etc, C&V and other organisations representative of client user groups such as INOU, ICTU Centres for Unemployed / Lone Parents / Disability, Traveller networks etc.

This element of the research will mainly be undertaken by postal questionnaire, telephone follow up (depending upon needs of the client group) and selective personal interview.

¹³⁷ Such as Back to Work Programme, Retention of Secondary Benefits, Family Income Support, Back to Education Allowance, etc.

2 What are the financial and any other barriers to participation in the labour market or in education, training and other measures to assist labour market entry and re-entry?

Focus group(s) will be used to address this supply sided issue (max two focus group meetings in both areas). The focus groups will comprise individuals from the identified target groups as well as *service providers*.

Target groups include:

Long-term unemployed people, women returners, Lone Parents, People with Disabilities, Young People at risk of unemployment, People with Low levels of Education or Skills, Ex-drug misusers, Ex-offenders, Travellers, Homeless People, Refugees etc

Service Providers include:

FÁS, LES, VEC's- Partnership Companies, Community Groups, Leader Companies, County and City Development Boards, Enterprise Boards, Chambers of Commerce and relevant interested bodies.

Measures which will be discussed within the focus group(s) will include the following;

- training/education/literacy skills
- making work pay
- enterprise start-up support
- childcare
- employment service support etc
- lack of jobs/opportunities
- other i.e housing and accommodation, health issues, transportation issues, etc.

3 To review evidence of labour market and economic development problems identified in Co. Donegal / Co. Sligo and Dublin North City.

This work would mainly be undertaken by desk research (writing/telephone). It would utilise plans and publications by County & City/Development Boards, Partnership Companies, IDA, FÁS, Enterprise Ireland, Chambers of Commerce, IBEC, North/West Regional Group/European Regions Network for the Application of Communication Technology (ERNACT) — founded by Derry City Council and Donegal County Council in 1990.

Annex III Individuals Interviewed as part of the Commissioned Research Work

Name	Organisation
Mick Creedon	Ballymun LES
Paddy Richardson	Business in the Community
Rosemary Carville	Business in the Community
Tom McArdle	Department of Social and Family Affairs
Seamus McGinley	Department of Social and Family Affairs
Stephen Barrett	Donegal Local Development Company
Caoimhín MacAoidh	Donegal Local Development Company
Phillip O'Connor	Dublin Employment Pact
Peter Nolan	Dublin Inner City LES
Miriam Scanlon-Trill	FÁS Sligo
John Bennet	Finglas/Cabra Local Drugs Task Force
Anne Fitzgerald	Finglas/Cabra Local Employment Service
Sauna McCleneghan	Inishowen Partnership
Eamonn Stevenson	Letterkenny Chamber of Commerce
Marian Vickers	Northside Partnership
Carmel McPartland	Northside Partnership
Mary Higgins	Regional Employment Service
Siofra Kilcullen	Sligo County Development Board

Annex IV Plenary Session on Creating a More Inclusive Labour Market, Royal Hospital Kilmainham, Wednesday 19th October 2005

List of Attendanees

Name	Organisation
Mr John Bohan	Department of Social & Family Affairs
Mr Joe Bradshaw	IBEC
Ms Berni Brady	AONTAS
Mr David Brennan	Department of Community, Rural and Gaeltacht Affairs
Mr Leonard Burke	Department of Social & Family Affairs
Ms Frances Byrne	OPEN
Ms Geraldine Caldwell	Equal, Dundalk
Ms Vivian Cassells	NCCA
Ms Carmel Clarke	CIL
Ms Shiela Clarke	NESC
Mr Eric Conroy	INOUE
Ms Nuala Coonerty	Southside LES
Ms Caroline Corr	Combat Poverty Agency
Ms Joan Courtney	OPEN
Mr Mick Creedon	Ballymun LES
Ms Patricia Curtin	FÁS
Ms Lisa Cuthbert	PACE
Mr Ciaran Diamond	Office for Social Inclusion
Mr Michael Doody	ICMSA
Ms Concepta Dowling	Northside Partnership
Mr Gerard Doyle	Waterford Local Economic Development Company
Ms Carmel Duggan	WRC Social & Economic Consultants
Ms Rose Fagan	NESDO
Ms Lucy Fallon-Byrne	NCPP
Ms Lindsey Farrell	The Office of the First Minister & Deputy First Minister
Mr John Farrell	INOUE
Senator Geraldine Feeney	Fianna Fáil
Ms Anne Fitzgerald	Finglas Cabra Partnership
Mr Dave Flynn	KWCD LES
Mr Donal Fox	Leitrim Partnership
Dr Maureen Gaffney	NESF
Mr Paul Ginnell	EAPN
Mr Gerard Griffin	STTC
Cllr Constance Hanniffy	General Council of County Councils
Ms Paula Hennelly	NESF
Mr Patrick Hughes	Department of Social & Family Affairs

Ms Nuala Keher	Líonra & EQUAL Ireland
Ms Breeda Kennedy	ADM Ltd
Ms Helen Keogh	Curriculum Development Unit, VTOS
Mr Ray Leonard	Trasnán – Canal LES
Ms Izabela Litewska	Combat Poverty Agency
Ms Julia Long	NDP Gender & Equality Unit
Ms Helen Lowry	Migrants Rights Centre
Mr Stephen MacWhite	PWDI
Ms Catherine Maguire	IBEC
Ms Marie Claire McAleer	National Youth Council of Ireland
Cllr Patricia McCarthy	Association of Municipal Authorities of Ireland
Mr Brian McCormick	FÁS
Ms Fiona McDonnell	AONTAS
Senator Joe McHugh	Fine Gael
Ms Shira Mehlman	Social Inclusion FÁS
Mr Branislav Mikulic	European Foundation for the Improvement of Living & Working Conditions
Ms Jennifer Murphy	Tallaght Partnership
Mr Tommy Murray	Department of Enterprise, Trade & Employment
Ms Nuala Nic Giobuin	Dublin City Childcare Committee
Prof. Brian Nolan	ESRI
Ms Bríd O'Brien	Pavee Point
Mr Dennis O'Brien	St Vincent de Paul, Galway
Ms Catherine O'Brien	NESDO
Dr Philip O'Connell	ESRI
Mr Guss O'Connell	FÁS
Mr Philip O'Connor	Dublin Employment Pact
Mr Bernard O'Farrell	TEAGASC
Dr Fergus O'Ferrall	The Adelaide Hospital Society
Mr Seán ÓhÉigeartaigh	NESF
Mr Kevin P. O'Kelly	Combat Poverty Agency
Ms Helen O'Leary	Ralaheen Ltd
Mr Brendan O'Leary	Department of Enterprise, Trade & Employment
Mr Manus O'Riordan	SIPTU
Ms. Carol O'Sullivan	Equality Authority
Mr Seamus Orr	INOUE
Ms Annette Patton	
Senator Feargal Quinn	Independent
Sr Brigid Reynolds	CORI
Mr Paddy Richardson	Linkage Programme
Mr Gerry Rock	Drogheda Local Employment Service
Mr Conor Ryan	Blanchardstown Area Partnership
Mr Alex Scannell	Northside Local Employment Service
Mr John Shaw	Department of the Taoiseach

Mr David Silke	NESF
Dr Peter Stafford	Construction Industry Federation
Mr Dermot Stokes	Youthreach
Ms Carole Sullivan	Equality Authority
Ms Tina Swales	Work 4U
Mr John Sweeney	NESC
Mr Paul Tansey	Tansey, Webster, Stewart & Company Ltd
Ms June Tinsley	Barnardos – National Office
Mr Senan Turnbull	Fingal County Council
Ms Fidelma Twomey	Clondalkin Partnership Company
Mr Nesson Vaughan	FÁS
Mr Gerard Walker	NESF
Ms Aisling Walsh	The Disability Federation of Ireland
Mr Brendan Ward	NESDO
Ms Marian Wilkson	National Disability Authority
Mr Tony Wolfe	ADM

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Terms of Reference and Constitution of the NESF

1. The role of the NESF will be:
 - to monitor and analyse the implementation of specific measures and programmes identified in the context of social partnership arrangements, especially those concerned with the achievement of equality and social inclusion; and
 - to facilitate public consultation on policy matters referred to it by the Government from time to time.
2. In carrying out this role the NESF will:
 - consider policy issues on its own initiative or at the request of the Government; the work programme to be agreed with the Department of the Taoiseach, taking into account the overall context of the NESDO;
 - consider reports prepared by Teams involving the social partners, with appropriate expertise and representatives of relevant Departments and agencies and its own Secretariat;
 - ensure that the Teams compiling such reports take account of the experience of implementing bodies and customers/clients including regional variations;
 - publish reports with such comments as may be considered appropriate;
 - convene meetings and other forms of relevant consultation appropriate to the nature of issues referred to it by the Government from time to time.
3. The term of office of members of the NESF will be 3 years. During the term alternates may be nominated. Casual vacancies will be filled by the nominating body or the Government as appropriate and members so appointed will hold office until the expiry of the current term of office of all members. Retiring members will be eligible for re-appointment.
4. The Chairperson and Deputy Chairperson of the NESF will be appointed by the Government.
5. Membership of the NESF will comprise 15 representatives from each of the following four strands:
 - the Oireachtas;
 - employer, trade unions and farm organisations;
 - the voluntary and community sector; and
 - central government, local government and independents.
6. The NESF will decide on its own internal structures and working arrangements.

Membership of the NESF

Independent Chairperson	Dr. Maureen Gaffney
Deputy Chairperson	Mary Doyle, Dept of Taoiseach

Strand (i) Oireachtas

Fianna Fáil	Michael Woods T.D. Pat Carey T.D. John Curran T.D. Senator Mary O'Rourke Senator Paschal Mooney Senator Brendan Daly Senator Geraldine Feeney
Fine Gael	Senator Paul Coghlan Damien English T.D. Paul Kehoe T.D.
Labour	Joan Burton T.D. Willie Penrose T.D.
Progressive Democrats	Senator Kate Walsh
Independents	Senator Feargal Quinn
Technical Group	Jerry Cowley T.D.

Strand (ii) Employer/Trade Unions/Farming Organisations

Employer/Business Organisations

IBEC	Maria Cronin Heidi Loughheed
Small Firms' Association	Patricia Callan
Construction Industry Federation	Dr Peter Stafford
Chambers of Commerce/ Tourist Industry/Exporters Association	Seán Murphy

Trade Unions

ICTU	Eamon Devoy
ICTU	Blair Horan
ICTU	Jerry Shanahan
ICTU	Manus O'Riordan
ICTU	Paula Carey

Agricultural/Farming Organisations

Irish Farmers Association	Mary McGreal
Irish Creamery Milk Suppliers Association	Michael Doody
Irish Co-Operative Organisation Society	Mary Johnson
Macra na Feirme	Carmel Brennan
Irish Country Womens Association	Anne Murray

Strand (iii) Community and Voluntary Sector*Womens Organisations*

National Womens Council of Ireland	Orla O'Connor Dr Joanna McMinn
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Unemployed

INOUE	John Farrell
ICTU Centres for the Unemployed	Patricia Short

Disadvantaged

CORI	Sr Brigid Reynolds
Society of St Vincent de Paul	Audry Deane
Pavee Point	Brid O'Brien
Anti-Poverty Networks	Joe Gallagher

Youth/Children

NYCI	Marie Claire McAleer
Children's Rights Alliance	Jillian Van Turnhout

Older People

Senior Citizens' Parliament/Age Action	Robin Webster
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Disability

Disability Federation of Ireland	Aisling Walsh
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Others

The Carers Association	Frank Goodwin
Irish Rural Link	Seamus Boland
The Wheel	Fergus O'Ferrall

Strand (iv) Central Government, Local Government and Independents

Central Government

Secretary-General, Department of Finance

Secretary-General, Department of Enterprise, Trade and Employment

Secretary-General, Department of Social and Family Affairs

Secretary-General, Department of Community, Rural and Gaeltacht Affairs

Secretary-General, Dept. of the Environment, Heritage and Local Government

Local Government

General Council of County Councils	Councillor Ger Barron Councillor Jack Crowe Councillor Constance Hanniffy
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Association of Municipal Authorities	Councillor Patricia McCarthy
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County and City Managers Association	John Tierney
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Independents

Geary Institute, UCD	Prof Colm Harmon
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Department of Sociology, NUI Maynooth	Dr Mary P. Corcoran
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ESRI	Prof Brian Nolan
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Tansey, Webster, Stewart & Company Ltd	Paul Tansey Cáit Keane
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Secretariat

Director	Seán Ó hÉigeartaigh
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Policy Analysts	Gerard Walker Ann-Marie Mc Gauran
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Executive Secretary	Paula Hennelly
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NESF Publications

(i) Forum Reports

Report No	Title	Date
1.	Negotiations on a Successor Agreement to the PESP	Nov 1993
2.	National Development Plan 1994 – 1999	Nov 1993
3.	Commission on Social Welfare – Outstanding recommendations	Jan 1994
4.	Ending Long-term Unemployment	June 1994
5.	Income Maintenance Strategies	July 1994
6.	Quality Delivery of Social Services	Feb 1995
7.	Jobs Potential of Services Sector	April 1995
8.	First Periodic Report on the Work of the Forum	May 1995
9.	Jobs Potential of Work Sharing	Jan 1996
10.	Equality Proofing Issues	Feb 1996
11.	Early School Leavers and Youth Employment	Jan 1997
12.	Rural Renewal – Combating Social Exclusion	Mar 1997
13.	Unemployment Statistics	May 1997
14.	Self-Employment, Enterprise and Social Inclusion	Oct 1997
15.	Second Periodic Report on the Work of the Forum	Nov 1997
16.	A Framework for Partnership – Enriching Strategic Consensus through Participation	Dec 1997
17.	Enhancing the Effectiveness of the Local Employment Service	Mar 2000
18.	Social and Affordable Housing and Accommodation: Building the Future	Sept 2000
19.	Alleviating Labour Shortages	Nov 2000
20.	Lone Parents	July 2001
21.	Third Periodic Report on the Work of the Forum	Nov 2001
22.	Re-integration of Prisoners	Jan 2002
23.	A Strategic Policy Framework for Equality Issues	Mar 2002
24.	Early School Leavers	Mar 2002
25.	Equity of Access to Hospital Care	July 2002
26.	Labour Market Issues for Older Workers	Feb 2003
27.	Equality Policies for Lesbian, Gay and Bisexual People: Implementation Issues	April 2003
28.	The Policy Implications of Social Capital	June 2003
29.	Equality Policies for Older People: Implementation Issues	July 2003
30.	Fourth Periodic Report on the Work of the NESF	Nov 2004
31.	Early Childhood Care & Education	June 2005
32.	Care for Older People	Nov 2005

(ii) Forum Opinions

Opinion No.	Title	Date
1.	Interim Report of the Task Force on Long-term Unemployment	Mar 1995
2.	National Anti-Poverty Strategy	Jan 1996
3.	Long-term Unemployment Initiatives	Apr 1996
4.	Post PCW Negotiations – A New Deal?	Aug 1996
5.	Employment Equality Bill	Dec 1996
6.	Pensions Policy Issues	Oct 1997
7.	Local Development Issues	Oct 1999
8.	The National Anti-Poverty Strategy	Aug 2000

(iii) NESF Opinions under the Monitoring Procedures of Partnership 2000

Opinion No.	Title	Date
1.	Development of the Equality Provisions	Nov 1997
2.	Targeted Employment and Training Measures	Nov 1997

(iv) NAPS Social Inclusion Forum: Conference Reports

1.	Inaugural Meeting on 30th January 2003
2.	Second Meeting on 26th January 2005

(v) NESF Research Series

1.	A Study of Labour Market Vulnerability & Responses to it in Donegal/Sligo and North Dublin	Jun 2005
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