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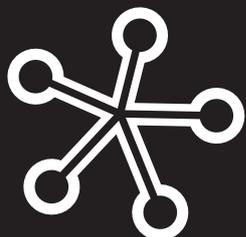
Amsterdam Institute for  
Advanced labour Studies

## Multiple Barriers and Bridges to Work

*Tomáš Sirovátka & Els Sol*

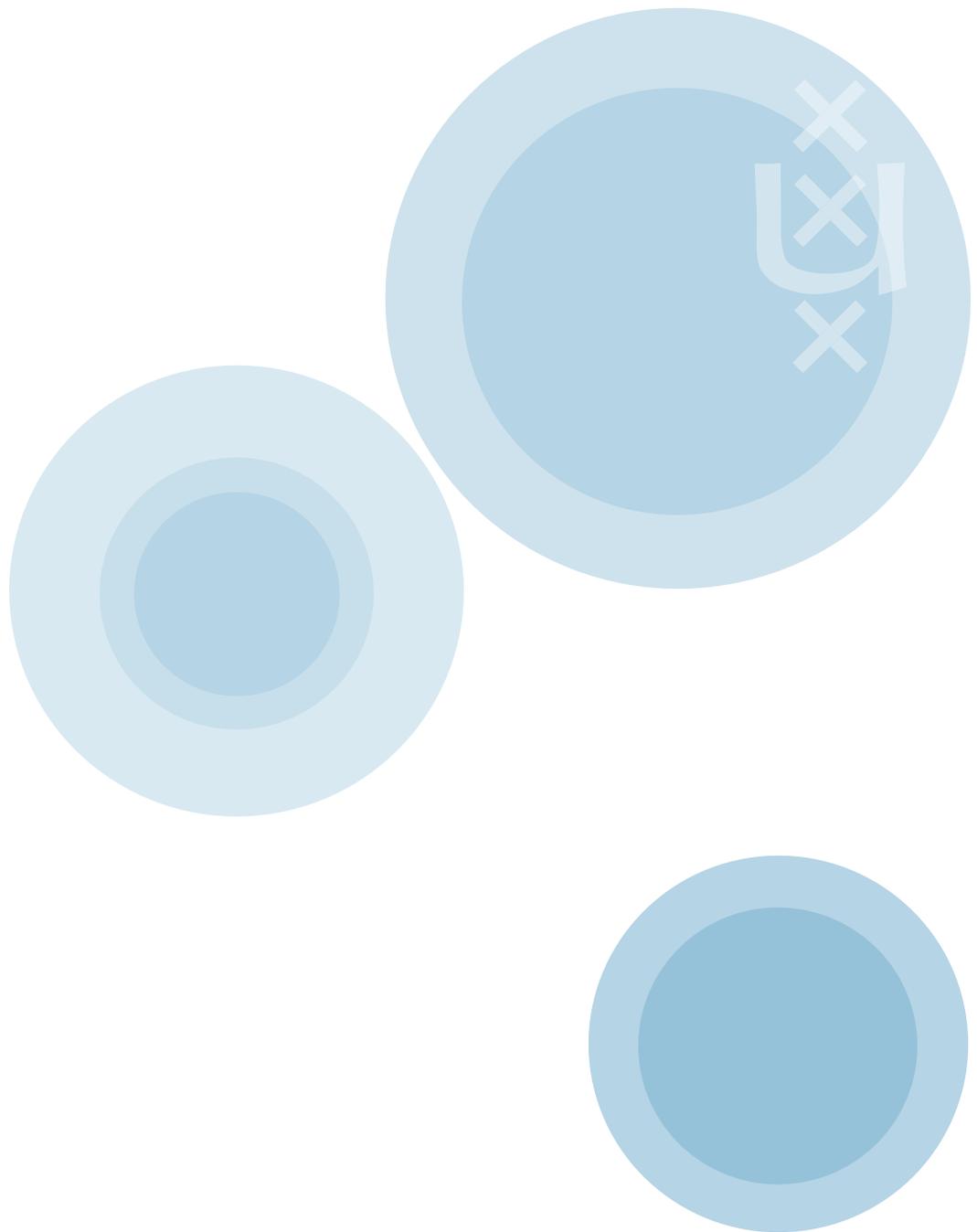
*With contributions by*

*J.C. Barbier, Stephen Gascoigne, Per Kongshøj Madsen*



Working Paper 138

October 2013



October 2013

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**Bibliografic information**

Sirovátka, T., Sol, C.C.A.M. (2013). Multiple Barriers And Bridges To Work. Universiteit van Amsterdam, AIAS Working Paper 138.

ISSN online: 2213-4980

ISSN print: 1570-3185

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# Multiple Barriers And Bridges To Work

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WP 138



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# 1 Embedded Employability

## 1.1 Introduction

Activation to work is at the crossroads now that its target groups have been extended beyond what used to be considered the domain of “labour market policy”. For reasons of retrenchment, foreseen population ageing and labour market shortages more target groups are being included in activation. Traditional boundaries between policy fields like social policies and labour market policies are being transcended, and currently policymakers address as target groups even those with multiple barriers who previously were not related to the labour market. European countries have started to include these groups in their activation regime and so has the European Union. In its October 2008 Recommendation the European Commission proposed a set of strategies for people with a great disadvantage and with multiple problems, with three key elements for a coherent approach: adequate income, inclusive labour markets and the provision of access to quality services (European Commission, 2008).

Individual job seekers with multiple personal barriers tend to encounter major institutional barriers when taking up work due to fragmentation and bureaucratization under New Public Management. As activation has moved beyond, these barriers are becoming more visible for policymakers. For the labour market policy domain, the extension of the activation paradigm to these groups confronts management and frontline staff alike with new *barriers* like lack of health capital, social capital, care obligations, lack of housing opportunities, lack of financial or equity (discrimination) capital, frequently in combination with a lack of hard and soft human capital, old age and/or gender. The *barrier approach* chosen has advantages in that it points to the development of programs that can address needs, which go beyond traditional vocational services. We want to know how the multiplicity of barriers affects participation - is there an extra effect of the co-occurrence or multiplicity of barriers? – and which combination of barriers is relevant for whom?

What distinguishes many long-term beneficiaries from others is not the presence of any one significant barrier, but the presence of a cluster of barriers. Unemployment, especially long-term unemployment (LTU) can have several consequences, amongst others social exclusion (Sen 1997). Therefore countries nowadays tend to start offering active inclusion with a range of opportunities

to help them in their voyage ultimately towards a job. Active inclusion with its emphasis on joined up servicing encompassing income support, inclusive labour market measures and access to social and health services can offer a useful way to address both the needs of long-term beneficiaries and the needs of the labour market.

## 1.2 Barriers to employment: international research

A review of international literature suggests that long-term beneficiaries are characterised by facing multiple barriers to employment, possibly at various contextual levels (Singley 2003; Perkins 2012).

Research indicates that for a large proportion of this group the difficulty in making the transition into employment has not simply to do with advice, hard or soft human skill factors or shortage of work but with a range of other barriers as well. What distinguishes long-term beneficiaries from others is not the presence of any one significant barrier, but the presence of a cluster of barriers. Several studies in the US and UK show that the more barriers a welfare recipient has, the lower their likelihood of exiting to or retaining employment. There is a clear negative relationship between the number of barriers faced and likelihood of working (Atkinson et al 2003; Berthoud 2003; Chandler et al 2002; Danziger et al 2002; Fagnoni 2001; US General Accounting Office 2001; Hirst et al. 2005; Perkins 2012).

Patel (Patel 2001) estimated the number of welfare recipients in the US with multiple barriers to be about one-half (within a range of 44–64%). In an USGAO review study, 88% of welfare recipients with no barriers were working compared with 59% with one barrier and 27% with three or more (USGAO 2001). Ashworth, Hartfree and Stephenson (2001) found in the United Kingdom that individuals who move between the incapacity and unemployment benefits tend to be among the least advantaged, facing multiple barriers including poor health, low levels of qualifications and few job skills. In New Zealand, Lunt and Pernice (1999) point out that people with disabilities tend to face multiple disadvantages and are overrepresented among those who are unemployed and poor. Berthoud (2003) found for the United Kingdom that of welfare recipients with one barrier 87% works, compared with 47 % with two or more barriers. There is some evidence on how these multiple barriers cluster. For example Danziger, Kalil and Anderson (2000) grouped barriers into four categories: physical health, mental health, substance

dependence and human capital. They warn that while barriers do distinguish at the aggregate level, they may be poor predictors at the individual level (see also Dockery and Webster (2001) and Athanassou, Pithers and Petoumenos (1995)).

More research in (continental) Europe is needed to understand how and which employment barriers tend to cluster among long-term beneficiaries within various institutional contexts and to understand the interplay of both barriers and ‘bridges’ to employment, the factors that facilitate employment for those who grapple with serious barriers to finding and holding a steady job.

### 1.3 Embedded Employability<sup>1</sup>

For the quality of life several matters are considered to be of major importance. These matters include ‘being adequately nourished’, ‘being happy’, ‘eating’ etc. ‘Having a job’ can be regarded as one of them. Sen calls these matters ‘doings and beings’ and includes such matters in the ‘functionings’: the valuable things that a person can do or can be. The freedom to choose between alternative functioning bundles reflects a person’s ‘advantage’ - his or her ‘capability’ to function (Sen 1987, p.15). A person stuck in a state of unemployment, even when materially supported by social insurance, does not get to exercise much freedom of decision.

Support for these groups until recently came almost totally from the State, but European countries increasingly put more emphasis on people’s ability to *help themselves* (employability), rather than on the State doing things *for them*. *Employability* in a broad sense is hereby being defined as: *The capability to move into and within labour markets and to realise potential through sustainable and accessible employment* (DHFETE 2002, p. 7).

Especially LTU’s employability needs the hands of others in economic and social relationships. The opportunity of paid employment is among the simplest ways of escaping dependency. The capability to function depends on a variety of factors, including personal characteristics and social arrangements. For instance, a physically impaired person will need more resources to achieve the functioning of mobility than a person who has no physical impairment. Capabilities are also influenced by social and political arrangements. Long-term unemployed often face multiple barriers to taking up work such as a lack of education and skills, misuse of drugs, literacy problems or age

1 Sol, E. (2009) The concept of embedded employability. Paper presented at the GUSTO-WP3 conference, 11-12 March 2009, Barcelona, Spain.

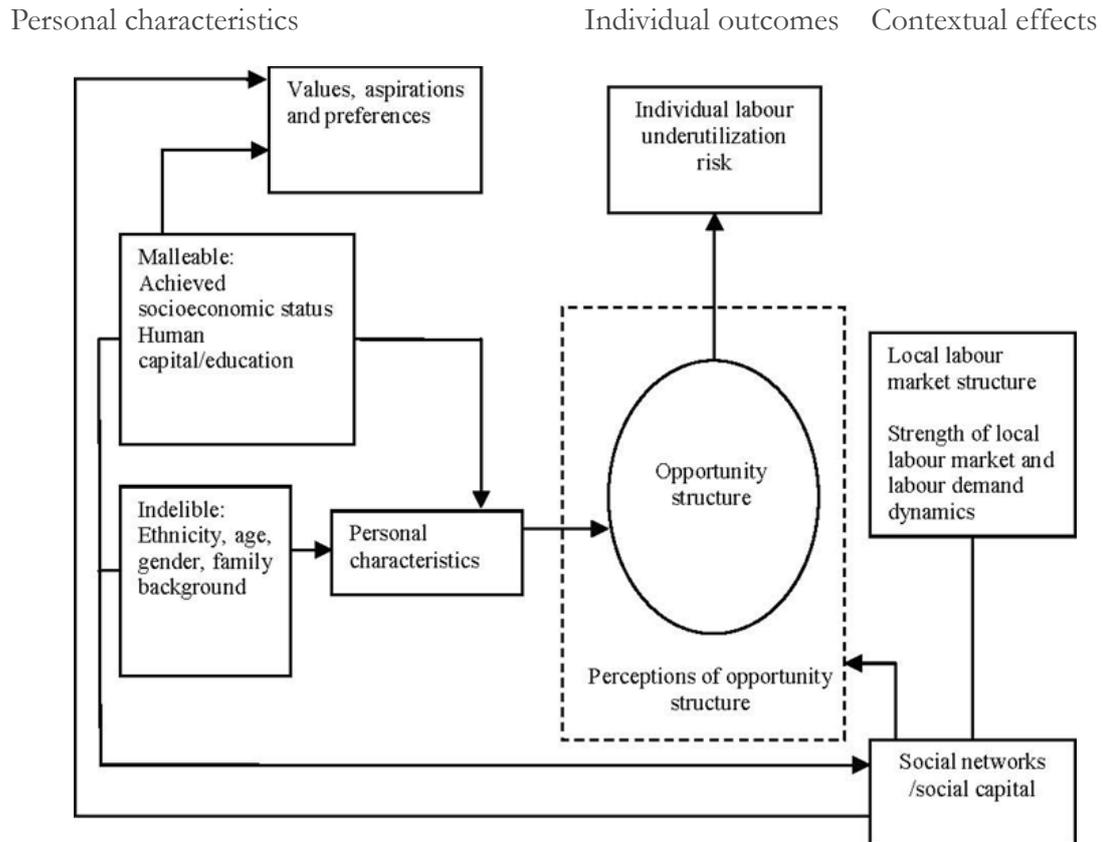
barriers. In this study we operationalize barriers as lack of capital in a broad sense. We distinguish various forms of capital lacking:

- Lack of hard Human Capital (qualifications)
- Lack of Soft Human Capital (capabilities related to work duties)
- Lack of Social Capital (resources generating networks)
- Lack of Health Capital (physical and mental capabilities to work; addictions)
- Lack of Care Capital (resources available to free oneself from care obligations)
- Lack of Housing Capital (stable housing situation)
- Lack of Financial Capital (short term availability of money allowing attention to work)
- Lack of Equity Capital (discrimination and stigma)

The analysis along the lines of lack of capital relates to Bourdieu's approach. One can describe differences between people based on distinctions between various forms of capital. The availability of forms of capital as economic, cultural, social capital is unevenly distributed (Bourdieu 1989).

Economic capital refers to the availability of material resources, which give a person the possibility to avoid or postpone having to go to agencies for assistance. Cultural capital in this context is mainly about the ability to cope: do people have the proper attitudes and orientations to limit debts. Related is information capital, the degree of information a person has access to about for example regulations which can help mitigate or eliminate debts. Social capital refers to the availability of networks that can alleviate the debts people have, for example family and friends. (Poverty and Welfare 1999, p.217).

Figure 1.1 Model of long-term unemployment risk



Adapted from Baum et al. (2009), p.1093.

Lack of multiple resources can be a major causal factor predisposing people to social exclusion. The exclusion applies not only to economic opportunities but also to social activities, such as participation in the life of the community. Countries do offer various resources to strengthen the employability such as for example reemployment services. The opportunities to function for persons with multiple barriers require an *integral approach*. Due to multi-problems solving just one barrier is usually not good enough. Often there are combinations of debt problems, housing problems, behavioral problems etcetera. Only an approach that deals with the problems at hand in one common plan - implemented either in co-occurrence or sequential - offers a good chance to people with multiple barriers to (re) gain work. Solutions appear to be beyond the reach of individuals: multiple barriers require *institutional* solutions to empower people. Individual action without institutional support remains powerless in the face of multiple barriers.

The various forms of capital can be divided into individual and personal circumstances and external or contextual factors. The first two can be considered as labour supply factors. The third set of factors are considered largely external to the individual and represents a broad range of

contextual factors including those characteristic of labour market demand (McQuaid, 2006). Figure 1.1 maps the various groups of factors.

Insufficient availability of capital in the broad sense can, especially when combined, lead to multi-barrier problems. Multi problematic families and individuals can be defined as people having to deal for a longer period of time with two or more related and possibly mutually reinforcing problems and not being able on one's own to develop and carry out the appropriate management or resolution of the complex of problems, due to which participation in society and the labour market is problematic (Bosselaar et al. 2010).

The lack of various resources highlights the absence of freedom of deprived people to enjoy opportunities that others can readily use. We will investigate in this report what type of opportunities the five countries offer to empower the disadvantaged. Employability in light of opportunities to function in this report will be referred to as embedded employability. *Embedded employability* means employability embedded in functioning opportunity structures to shoulder the responsibility of the individual. A functioning opportunity structure can be defined as the effective interplay between private, social and public partners mediated by proper institutions and laws.<sup>2</sup> The opportunity structure functions as a protective circle around the disadvantaged (see figure 2).

A functioning opportunity structure requires interaction between the different domains of social policy:

- Social Benefits
- Employment programs
- Vocational education and life-long learning
- Social Work
- Health care
- Care of children, elderly and disabled
- Social Housing
- Debt help and debt restructuring assistance

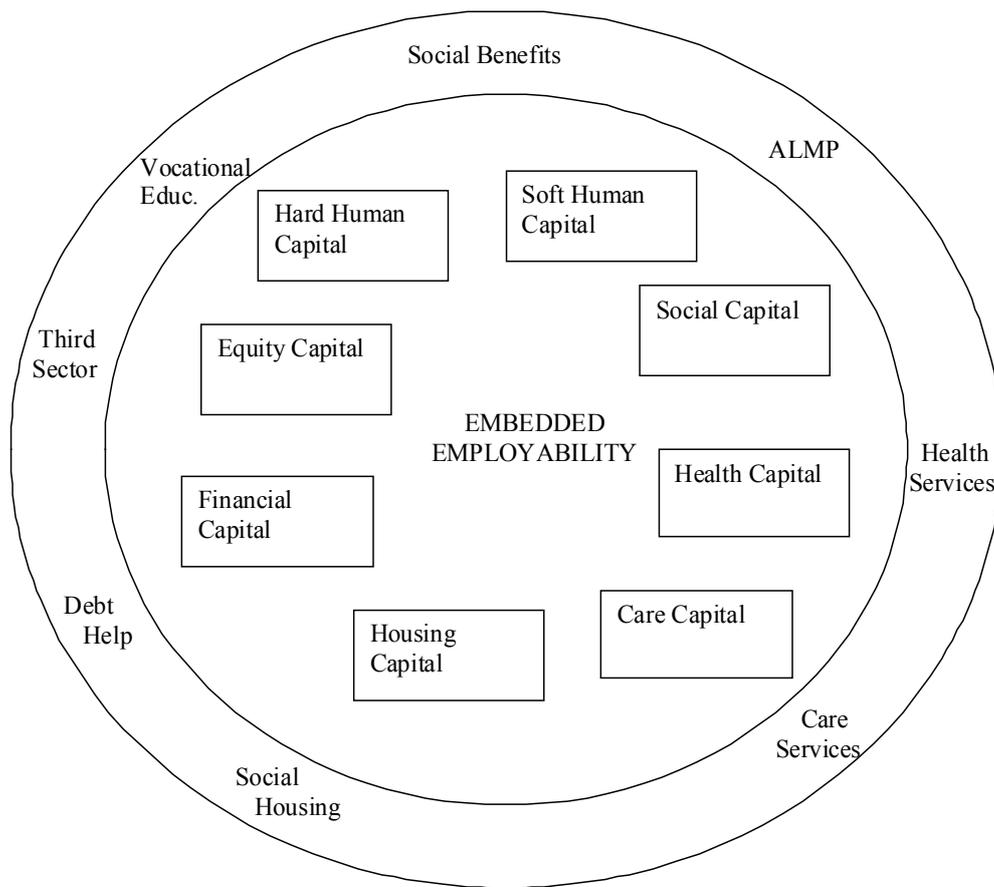
Domains can touch on more than one type of capital of employability, but typically, they have concentrated on increasing one type specifically.

The actors in this interplay are various. Beside private and public partners these include third sector organisations.

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<sup>2</sup> Schmid (2006), Social risk management through transitional labour markets.

Figure 1.2 Embedded employability and a functioning opportunity structure



## 1.4 Research question

The purpose of this study is to document multiple barriers to employment among long-term unemployed (LTU) in a number of east and west European countries and the opportunities for support these countries offer to disadvantaged people. For comparison we have chosen five countries that stand for different European social models: Denmark (Scandinavian), Czech Republic (Eastern Europe), France (Continental), The Netherlands (Mixed) and the United Kingdom (Anglo-Saxon model).

The study aims to answer the following questions:

- What are the key barriers to employment for LTU/social assistance recipients?
- Which opportunity structures do countries offer to help disadvantaged find their way (back) into the labour market? Do these structures of opportunity correspond to the patterns of barriers to employment that these groups of people are facing?

In order to answer these questions, the study offers a quantitative analysis of the relation between barriers and LTU in the UK, France, Denmark, the Netherlands and Czech up to 2010 and - based on recent policy-relevant studies - a qualitative analysis of the type of opportunities offered in these countries for the disadvantaged to participate on the labour market and have a career (sustainable employment).

## 1.5 Structure of the report

The structure of the report is as follows. In paragraph 2 we investigate in a quantitative analysis the relationship between the existence of barriers and the incidence of long term unemployment in the five countries. In paragraph 3 we picture the opportunity structure in the chosen countries using a qualitative analysis. The paragraph shows the current policy responses to (LTU) benefit recipients facing multiple barriers. Finally we present some conclusions and recommendations.

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## 2 Barriers to work: a quantitative analysis

### 2.1 Introduction<sup>3</sup>

In this chapter we are focusing on the identification of national patterns of multiple barriers to labour market inclusion by comparing the following national cases: Denmark, United Kingdom, The Netherlands, France and the Czech Republic. In general, it is not so easy to classify these countries with respect to their labour market performance and labour market policies.

Concerning the specific forms of labour market flexibility, more specific analysis like *Employment in Europe* (2007) which was based on a special survey, recognized very well developed functional forms of flexibility and also above average developed numerical flexibility in Denmark<sup>4</sup> and Netherlands. Followed by the above average developed numerical flexibility and average level of functional flexibility in the UK, while less developed numerical flexibility and above average developed functional flexibility was found in France. Finally the Czech Republic scored above average developed numerical flexibility and below average developed functional flexibility.

In the analysis by Muffels (2009) documented in the GUSTO project documents which measured the flexicurity dimension by labour market mobility/flexibility and income security, UK scores very high both in the flexibility and security dimension while the Czech Republic scores above average in both the flexibility and security dimension. Denmark scores high in the security dimension and on average in the flexibility dimension. France and Netherlands score low in the flexibility dimension while above average in the security dimension.

As mentioned, it may be assumed that so called *flexicurity regimes* may influence the workings of the specific labour markets concerning the overall level of labour market marginalization and concerning the differences in the labour market marginalization and the profile of the groups most affected. Nevertheless, the relationship between flexicurity regimes characterized by policy effort and/or by labour market outcomes is still questionable since many other factors beyond the flexicurity policies contribute to the working of the labour markets, like cyclical and structural devel-

<sup>3</sup> We thank Kees Kok for his methodological advice and help with the logit analyses.

<sup>4</sup> Denmark in the literature is considered a country balancing high levels of security and flexibility.

opments of the economy and labour market, and also the individual characteristics of the labour force. The abovementioned contradictory findings on the profile of the countries in focus which largely depend on whether we base them on the indicators of the policy effort or the indicators of labour market performance (outcomes) document well the difficulty to link clearly the policies and the outcomes.

Therefore in this report we don't aspire to explain the existence of variations in the labour market barriers/factors of labour market marginalization in the specific countries in focus. We only intend to illustrate that the concept of the multiple barriers is relevant and helps us to explain the degree of labour market marginalization of the groups of people most distant from the labour market and that in spite of the national specific patterns of the multiple barriers, some common patterns in the influence of the specific barriers are also evident.

## 2.2 Method

The multiple barrier analysis is based on quantitative micro-level data by the European Social Survey (ESS). We used a pooled design including four waves: 2002, 2004, 2008 and 2010.<sup>5</sup> The ESS makes it possible to identify patterns of barriers to 'embedded employability': the ESS contains the appropriate variables or 'proxies' for the operationalization of the barriers as lack of capitals. Although we would have preferred to use SILC data because of its richness in terms of a large number of cases, SILC lacks crucial variables for our analysis such as various forms of social capital, soft skills, care obligations and equity capital.

We are investigating the role of forms of capital/barriers in determining a disadvantaged position on the labour market. The analysis is limited to long term unemployed (LTU) in the age of 15-65 year. Table 2.1 presents the variables we used in our analysis.

The *dependent* variable is designed by contrasting the respondents who did not have any long-term experience of unemployment and have had a paid job at the time of the survey to those who did not have a job and experienced unemployment, which lasted 12 months or more, in the last 5 years.<sup>6</sup> This is compatible with the objective to identify the variables/factors which are relevant

<sup>5</sup> The reason to use the pooled design consisting of several waves of ESS is to solve the problem of small subsamples of long-term unemployed. A pooled design will get more reliable and statistically significant results. The 2006 wave is not used because in this wave data on the Czech Republic are missing.

<sup>6</sup> In this analysis short-term unemployed with no experience of long-term unemployment in last 5 years have not been included (since it is difficult to interpret the role of short-term unemployment).

in terms of major labour market disadvantage, in line with the focus of the project on the most disadvantaged groups.

Concerning the *independent* variables we are severely limited by the data and variables included in the dataset of ESS, although this dataset was the best option available. Several variables are to be understood as proxies who in some cases are quite distant from the theoretical concept of labour market barriers or inversely of opportunity structures which create embedded employability.

Table 2.1: Variables used in the analysis

Form of capital	Variable(s)	Note	Distribution
<b>Independent variables</b>			
Hard human capital	Education (in years)		Mean:13,1 S.d: 3,6
Soft human capital	Allowed to organize his/her own work (0-10) 0 I have no influence 10 I have/had complete control	Proxy	Mean: 6,6 S.d: 3,1
Social capital	Trust in people/general trust (0-10) 0 You can't be too careful 10 Most people can be trusted	Linking SC/ Bridging SC	Mean: 5,0 S.d.: 2,2
	Meet socially friends (1-7) 1 Never 7 Every day	Bonding SC	Mean: 5,1 S.d: 1.5
Health capital	Health status in general (1-5) 1 Very good 5 Very bad		Mean: 2,0 S.d: 0,9
Care obligations	Children below 12 living in household 1 Yes 0 No	Indirect measure	Yes: 46,3% No: 53,7%
Housing opportunities	Feel safe in neighbourhood when dark (1-4) 1 Very safe 4 Very unsafe	Proxy, only indirect indication of Housing quality	Mean: 2,0 S.d: 0,8
Financial capital	How coping with household income (1-4) 1 Living comfortably 4 Very difficult		Mean: 1,9 S.d: 0,8
Equity capital	Member of the group discriminated in the country 1 Yes 0 No		Yes: 10,8 % No: 89,2 %
Life- cycle variables	Gender:1 Male 0 Female Age (in years)		Male: 47,1% Female: 52,9 %  Mean: 40,7 % S.d: 13,9
<b>Dependent</b>			
Labour market experience	Unemployed in last 5 years for 12 months or more (LTU) <i>Versus</i> No LTU and at time of survey with paid job (incl. short unemployment)	1 Yes 0 No	Yes: 11,6 % (n=1.516) No: 88,4 % (n=11.608)

We could not find the suitable proxy for housing capital like homelessness or quality of housing. Another problem is that we indicate caring barriers by the question about current presence of children in the family<sup>7</sup>, while the experience of unemployment is related to the last 5 years until present time.

We have decided to rely on the results of the logistic regression analysis where the dependent variable is the experience with long-term unemployment in the last 5 years (no experience of LTU as reference option).

We distinguish two groups of independent variables:

- a) variables which indicate life cycle variables (incl. hard human capital)
- b) variables which indicate all other forms of capitals/barriers

Consequently, the regression analysis is divided into two models.

The findings are influenced by statistical significance given by the numbers of the cases. Since we are working with a subsample of those with experience of long-term unemployment (long-term unemployment not within last 5 years excluded) the sample often does not enable to make generalizations for all alternatives of the variables included in the analysis (see values of significance). The numbers of cases in the analysis were as follows (table 2.2).

Table 2.2: Number of cases in in the analysis by country and incidence of LTU

Number of cases (unweighted)	LTU in last 5 years	No experience of LTU and with paid job (incl. short unemployment)	Total
<b>Czech Republic</b>	405	2.857	3.262
<b>Denmark</b>	214	1.823	2.037
<b>France</b>	406	1.718	2.124
<b>United Kingdom</b>	352	2.547	2.899
<b>Netherlands</b>	196	2.165	2.361
<b>Total</b>	1.573	11.110	12.683

## 2.3 Empirical evidence on multiple barriers

For each country two models are estimated. The following tables show the estimated effects on the logit *LTU* (B-coefficient) as well as the significance for these parameters. The last row shows the fit-measure, in this case the Nagelkerke pseudo R-squared. Comparison of Model A with Model B makes clear that the latter is significant in all five countries and gives a substantial improvement

<sup>7</sup> Very indirect indication of caring capital since it depends on the context (accessibility of child care).

of the R-squared. This means that our model with the various capital forms fits the data better than model A with only life-cycle variables. We estimated the impact of the individual contributions of the forms of capital. Some interactions between the forms of capital were tested but do not seem to contribute much more. However, this will require further research.

The logits represent the natural logarithm of the odds. In formula:

$$\text{Ln} (P(\text{LTU})/P(\text{No unemp}))=a +b_1X_1+b_2X_2+\dots$$

In order to predict the chance that someone will become LTU, the logits are transformed into probabilities. The probability formula is:

$$P(\text{LTU})=(e^{(a+b_1X_1+b_2X_2+\dots)})/(e^{(a+b_1X_1+b_2X_2+\dots)}+1) \text{ and}$$

$$P(\text{No LTU})=(1/(e^{(a+b_1X_1+b_2X_2+\dots)}+1)).$$

In order to predict the actual probability standard references are used. For the standard references the means of the variables are taken (table 3.1), while a choice must be made for the dichotomous variables.

By filling in the reference values in the probability formula and choosing for the dichotomous variable gender male (yes=1), for care obligations (with children=1) and for equity capital (not a member of a discriminated group in the country=0), the probability for LTU in the period 2002-2010 is in Czech Republic 22,8%, for Denmark 13 %, for France 10,8%, for the UK 21,1% and for the Netherlands 2,8%.

Below we present the results for each of the five countries, starting with the Czech Republic.

### Czech Republic

Model B is significant and produces a much better result of Nagelkerke pseudo-R<sup>2</sup> (table 2.3). This means that model B, which apart from the life cycle factors also incorporates the other forms of capital, fits better to the data than the model based on life cycle variables. All the following variables have a significant influence on the chance to become LTU.

*Health capital.* The general health status has a big influence. By filling in the aforementioned reference values in the probability formula, the probability for LTU given a very good health status to become LTU is 14 per cent. If the health capital is bad, for the Czech their risk to become LTU increases to 47 per cent, so almost 3,5 times more.

*Equity capital.* A lack of equity capital weighs heavily. The chance to become LTU becomes considerably bigger. If these men are also members of a discriminated group in the Czech Republic their chances to become LTU rise from 47 up to 63 per cent!

*Gender.* The chance to become LTU becomes even bigger when those persons are women. In The probability to become LTU now rises to 79 per cent.

*Social capital.* Surprisingly and different from the results for the other countries surveyed, more social capital, indicated by having more social encounters, does increase the chance of LTU. On the other hand, having more *soft human capital* reduces tends to diminish that chance.

Table 2.3 Estimated parameters of logistic regression-models for the logit LTU in Czech Republic.

	Model A		Model B	
	B-coefficient	s.e.	B-coefficient	s.e.
<b>constant</b>	4,283**	0,574	-2,727**	0,808
<b>age</b>	-0,009	0,006	-0,017*	0,007
<b>hard human capital:</b>	-0,461**		-0,247**	0,044
<b>education (in years)</b>	-0,78 **	0,041	-0,824**	0,152
<b>gender</b>		0,13	-0,404**	0,149
<b>care obligations</b>			0,176	0,113
<b>housing opportunities</b>			0,531**	0,099
<b>health capital</b>			1,188**	0,092
<b>financial capital</b>			0,713**	0,262
<b>equity capital</b>			-0,021	0,032
<b>social capital: general trust</b>				
<b>social capital: meet socially friends</b>			0,167**	0,052
<b>soft human capital</b>			-0,111**	0,023
<b>Nagelkerke pseudo Rsquared</b>	.14		.383	

\* significant ( $0.01 < p < 0.05$ ) \*\* significant ( $p < 0.01$ )

If it is also very difficult to financially cope with one's household income, the chances to become LTU in the Czech Republic now rise to above 90 per cent. Similarly, in all countries *financial capital* turns out to be a very important factor. However this factor of financial capital can both be cause and consequence. Due to becoming LTU, a person can get difficulties to make ends meet, while at the same time having financial difficulties can lead to a longer stay in LTU as a result of lacking possibilities for investments which might have enabled him to get out of the situation, such as for example better housing

*Age* and *Education* are also significant factors. More education diminishes the chance to LTU. The incidence of LTU decreases slightly with age. However the chance to LTU is not linear with age. For both the young and the old the chance to become LTU is smaller than for persons in other age categories.

### Denmark

Also for Denmark model B gives a considerable better result of the R squared. Incorporation of the capital forms turns out to provide a reasonably good explanation of the chance to become LTU in Denmark. The significant factors and their influence on the chance to become LTU are as follows.

*Gender.* If the reference value for ‘male’ is replaced by ‘female’ the chance to become LTU rises from 13 to 25 per cent.

If at the same time a person’s *health* is bad, then the chance for LTU for women further increases to 47 per cent and for men to 28 per cent.

*Soft human capital* which is indicated by having the possibility of one’s own work organisation turns out to be a significant factor in Denmark. For men with children, not being a member of a discriminated group with complete control over their work the chance to become LTU is 7,1 per cent. If the same men are not allowed to organize their work at all the risk to become unemployed rises to 37 per cent. For women this percentage raises from 15 to 56 per cent.

*Financial capital* is also a significant factor. Men with children, not members of a discriminated group, who have financial difficulties, see their risk to LTU rise to 64 per cent.

In Denmark the significant contribution of *education* to the chance of LTU slightly increases with age. However just as in the Czech Republic the chances are bigger for persons that are neither young nor old, but in between.

Contrary to the Czech Republic caring obligations don’t play a role in Denmark, probably as a result of advanced reconciliation policies.

Table 2.4 Estimated parameters of logistic regression-models for the logit LTU in Denmark.

	Model A		Model B	
	B-coefficient	s.e.	B-coefficient	s.e.
<b>constant</b>	-1,65**	0,385**	-3,18**	0,761
<b>age</b>	0,007	0,006	0,02**	0,007
<b>hard human capital:</b>				
<b>education (in years)</b>	-0,037	0,018*	0,009	0,02
<b>gender</b>		0,154**	-0,095	0,173
<b>care obligations</b>			-0,064	0,12
<b>housing opportunities</b>			0,493**	0,097
<b>health capital</b>			1,157**	0,121
<b>financial capital</b>			0,77*	0,333
<b>equity capital</b>			-0,066	0,043
<b>social capital: general trust</b>			-0,042	0,066
<b>social capital: meet socially friends</b>			-0,203**	0,031
<b>soft human capital</b>				
<b>Nagelkerke pseudo Rsquared</b>	.026		.255	

\* significant ( $0.01 < p < 0.05$ ) \*\* significant ( $p < 0.01$ )

### France

Model B has a bigger power of explanation in France too. R squared rises to 19 per cent.

*Gender.* When using the mean reference values the chances for women to become LTU are larger than for men. These values are resp. 11 and 16 per cent.

*Health status* is also a significant factor: men with children, not a member of a discriminated group with good health do have a chance of becoming LTU of 10 per cent. In case these men suffer from bad health their risk rises to 21 per cent. For women these percentages are respectively 16 and 30.

If these women also have little *equity capital*, indicated by being a member of a discriminated group chances to LTU are 53 per cent; for men the percentage is 42.

Also *financial capital* plays a role. If women have a bad health and difficulties coping with their household income their risks to LTU rise to 51 per cent. In case they also have little equity capital their chance even increases to 74 per cent.

Table 2.5 Estimated parameters of logistic regression-models for the logit LTU in France.

	Model A		Model B	
	B-coefficient	s.e.	B-coefficient	s.e.
<b>constant</b>	-0,268	0,436	-3,389**	0,718
<b>age</b>	-0,003	0,007	-0,004	0,007
<b>hard human capital: education (in years)</b>	-0,075**	0,021	-0,013	0,023
<b>gender</b>	-0,484**	0,147	-0,469**	0,166
<b>care obligations</b>			-0,1	0,16
<b>housing opportunities</b>			0,11	0,093
<b>health capital</b>			0,408**	0,096
<b>financial capital</b>			0,776**	0,112
<b>equity capital</b>			0,995**	0,209
<b>social capital: general trust</b>			-0,016	0,037
<b>social capital: meet socially with friends</b>			-0,06	0,056
<b>soft human capital</b>			-0,006	0,027
<b>Nagelkerke pseudo R squared</b>	.027		.188	

\* significant ( $0.01 < p < 0.05$ ) \*\* significant ( $p < 0.01$ )

Similarly to Denmark, education and care obligations are not significant. Age turns out not to be a significant barrier either.

### Great Britain

In the UK the explanatory power of model B is with 28 per cent considerably bigger than the model with only life cycle factors.

In the UK many forms of capital turn out to contribute significantly to the risk of becoming long-term unemployed. Men with children, not a member of a discriminated group with good *health* in the UK have a risk to LTU of 16 per cent. If their health is poor the risk rises to 35 per cent.

If up above their *equity capital*, indicated by being a member of a discriminated group, is little their risk further raises to 48 per cent. Contrary to other countries for women in Great Britain these chances are smaller, being 35 per cent.

Lack of *soft human capital* raises the risk for men with the aforementioned characteristics to 60 per cent while for women this percentage is 46.

Also lack of *housing opportunities* has a significant contribution: the risk to LTU for men with the aforementioned characteristics further rises to 71 per cent and for women to 59 per cent.

It will not be a surprise that lack of *financial capital* also does augment the risk. If on top of the accumulation of barriers mentioned men do also have difficulties managing their household income, the risk to LTU rises to 89 per cent. Such an accumulation in the UK almost certainly leads to LTU.

Finally *age* and *education* are significant. More education reduces the risk of LTU, while with increasing age the risk increases a little. But here too the aforementioned comments relating to age apply.

Table 2.6 Estimated parameters of logistic regression-models for the logit LTU in United Kingdom.

	Model A		Model B	
	B-coefficient	s.e.	B-coefficient	s.e.
<b>constant</b>	0,439	0,357	-2,581**	0,629
<b>age</b>	-0,02**	0,005	-0,015*	0,006
<b>hard human capital:</b>				
<b>education (in years)</b>	-0,156**		-0,108**	0,022
<b>gender</b>	0,297*	0,02	0,555**	0,15
<b>care obligations</b>		0,128	-0,208	0,144
<b>housing opportunities</b>			0,25**	0,087
<b>health capital</b>			0,352**	0,081
<b>financial capital</b>			1,018**	0,085
<b>equity capital</b>			0,561**	0,184
<b>social capital: general trust</b>			-0,053	0,033
<b>social capital:</b>			-0,05	0,044
<b>meet socially friends</b>			-0,129**	0,021
<b>soft human capital</b>				
<b>Nagelkerke pseudo R squared</b>	.058		.275	

\* significant ( $0.01 < p < 0.05$ ) \*\* significant ( $p < 0.01$ )

### The Netherlands

In the Netherlands model B with all capital forms has considerably more explanation power than model A with only life cycle factors (29 per cent of the variance in data is explained). Several variables are significant.

*Care obligations.* Persons without children do have - taking into account the other reference values – somewhat more risk of becoming LTU than persons with children: in the period under research the risk rises for men to 5 per cent and for women to 6.

If for persons without children *health* is poor the risk rises for men to 14 per cent and for women to 17.

If their *equity capital* indicated by being a member of a discriminated group in the country is also low the risk further rises for men to 33 per cent and for women to 38 per cent.

The lack of *soft human capital* turns out to contribute significantly to LTU, too. This cumulative risk rises for women to 51 per cent and for men to 45 per cent.

Table 2.7 Estimated parameters of logistic regression-models for the logit LTU in the Netherlands.

	Model A		Model B	
	B-coefficient	s.e.	B-coefficient	s.e.
constant	-1,754**	0,495	-5,628**	0,96
age	0,004	0,008	0,016	0,008
hard human capital:	-0,066**		0,021	0,027
education (in years)	-0,479**	0,024	-0,247	0,2
gender		0,171	-0,531**	0,193
care obligations			-0,019	0,159
housing opportunities			0,598**	0,139
health capital			1,136**	0,119
financial capital			1,134**	0,244
equity capital			-0,026	0,049
social capital: general trust			-0,04	0,074
social capital:			-0,144**	0,03
meet socially friends				
soft human capital				
Nagelkerke pseudo Rsquared	.0019		.289	

\* significant ( $0.01 < p < 0.05$ ) \*\* significant ( $p < 0.01$ )

However the biggest significant contribution comes from lack of *financial capital*. If men with poor health are member of a discriminated group and lack soft human capital, and also have difficulties to make ends meet their risk rises to 75 per cent. Be aware that for this factor, the aforementioned warning goes: the factor can be both cause and consequence.

Contrary to the UK, age and education don't have significant effects on long-term unemployment in the Netherlands.

## 2.4 Conclusions

In summary, we can conclude from the quantitative analysis that the various forms of capital are important for the chances to become LTU and thus reversed as barriers to (re) entry to work. In all the countries under investigation the explanatory power of the model with the capital forms included is considerably bigger than the model with solely life cycle factors.

If we compare the five countries with just the reference values, in the period under investigation the biggest chance for LTU is in the Czech Republic and the lowest in the Netherlands.

The most important significant capital forms in the different countries that contribute to increasing the chance for LTU are health capital, equity capital and financial capital.

*Health capital.* Poor health status increases in every country examined the risk of LTU. Especially in the Czech Republic having a poor health gives a considerable bigger chance for LTU, followed by the UK.

A second important factor in all the countries under investigation is *equity capital*, indicated by being a member of a discriminated group. In all countries this factor leads to a significant increase in the risk of LTU. Here too the Czech Republic shows the biggest growth, followed by the UK. In the Netherlands augmentation of the chance for LTU as effect of this factor is the lowest.

All countries show that a lack of *financial capital* greatly increases the risk of LTU. As argued, this factor can be cause as well as consequence. Only an experimental design can bring conclusive evidence of the impact of this factor on the probability of LTU.

*Gender* is a significant factor in four of the five countries. There is no significant difference between men and women in the Netherlands. In all other countries chances for women to become LTU are significantly bigger than those for men. The only exception in this respect is the UK: in the UK the chance for LTU, all other factors being equal, is bigger for men.

Finally, a lack of *soft human capital* plays a significant role in the risk of becoming LTU in all countries except France. Lack of influence over one's own work also increases the risk of LTU.

A striking result which is important for future policy makers, is that *hard human capital*, indicated by years of education, does not turn out to be as important as factor as expected, as behind this factor other forms of capital hide as our analysis has shown. Only in Czech Republic and in the UK whose labour markets may be considered as 'less regulated' this factor really makes a significant difference.

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## 3 Opportunity structures

### 3.1 Introduction

With the advancement of the European Employment Strategy the aspiration emerged to include even those formerly regarded as marginal workforce. Marginal workforce was not explicitly addressed by labour market policy and consisted of older workers, disabled, lone parents, women with small children, ethnic minorities and migrants, low skilled, and other, now labelled as those who are ‘furthest from the labour market’ as mentioned in many EC documents.<sup>8</sup> The European Employment Strategy is underpinned with a strong emphasis on employment services and policies; specifically, ‘activation policies’ are widely used with respect to the categories which are in risk of long-term unemployment and welfare dependency.

In the discussion on the causes of labour market marginalisation two positions may be distinguished which have different ideological and political grounds and lead to different policy approaches. The first one is based on the ‘individualization thesis’ explaining labour market marginalization as a failure and/or deficit of human capital (problem of skills and motivation). The other one is based on the assumption of the accumulations of objective disadvantages in the individual cases and explains marginalization on the labour market in the context of the cycle of deprivation and social exclusion (compare for example Layte and Whelan 2002 and Layte et al. 2002) and several failures of the mechanisms of the labour market: discrimination, segmentation and dualism (compare Berger and Piore 1980, Offe 1985, Lindbeck and Snower 1989 a.o.). Related to these two broad explanations of the causes of labour market marginalization two broad strategies of the ‘cure’ are identified: the work-first approach versus the human resources/human capital development approach (Lødemel and Trickey 2001, Bruttel and Sol 2003, Bredgaard and Larsen 2007) or employability versus capability approach (Bonvin and Farvaque 2007) and social disciplining versus social integration approach (Larsen and Mailand 2007) which in practice are often combined (Bonoli 2010).

We accept the above explanations as complementary: our approach is based on the concept of the multiple barriers or deficits in various forms of capital (see chapter 1). The interaction of several individual qualities of the disadvantaged labour force with the opportunity structures in the labour market

<sup>8</sup> There are several reasons for this aspiration, most often refrained are ageing of the population, threats of welfare dependency, threats of social exclusion and its intergenerational transmission.

is the central issue in this paragraph. In this respect Schmid and Gazier (2002) speak about ‘*functioning opportunity structures*’ which represent the base for the functioning of transitional labour markets (TLMs).

*Multiple barriers hinder employability.* The capability to move into and within labour markets and to realise potential reduces significantly with the growth of the number of barriers as the quantitative analysis shows. In order to reinforce the capability a connection must be made with the existing social-economic structures with which the employability is intertwined. In interplay between actors in these structures bridges can be built whereby the multiple disadvantaged can be offered hope to function. However the opportunity structures differ strongly country by country. Historic and political factors play a role. Currently all European countries are confronted with retrenchments which negatively influence the services delivered.

In this paragraph we will investigate what type of opportunities are on offer in the respective countries for the various groups of disadvantaged. In the country studies, a number of issues will be discussed. Each country report provides insight into the active labour market policy of the country involved, with an emphasis on the position of the weakest. Where possible, examples of experiments /or projects are presented which take multiple disadvantaged into account.

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## 3.2 The United Kingdom

**Steven Gascoigne**

### 3.2.1 Overview of current politics and policies for people with multiple barriers

The current Coalition Government has started a new single back-to-work programme called “The Work Programme” which ostensibly went ‘live’ on Friday 10th June, 2011. Its aim is to be both ‘more efficient’ and to provide a service better tailored to the individual. This aim is to be achieved through the dual goals of simplicity and consolidation. In bringing together a number of different support programmes and consolidating them into The Work Programme, it is hoped that repetition across a range of services can be eliminated, that the complexity of numerous, often overlapping, projects will be removed and that the tendering process will be simplified. The benefit to the contractor, it is hoped, is that to have one programme will dispense with much confusion about which scheme a person is to be placed into and for the client the benefit comes from a clearer picture of where they are placed. Much of The Work Programme’s design borrows from experience of previous measures and drive toward consolidation and simplicity was also being undertaken by the previous Government. Thus The Work Programme should be seen as the outcome of an evolutionary process rather than a revolution of design.

However, there is innovation here, notably in the prevention of ‘creaming’ and ‘parking’. Organisations (providers) involved will be paid by results with the aim of placing a person into a ‘sustainable’ job (defined as lasting for at least 12 months). Although results based payment by itself is not innovative, the payments will be skewed toward those who are considered hardest to place in order to discourage creaming and parking. This forms part of a three-pronged payment system which also includes a bonus:

- *Attachment Fees* – This fee is designed to help providers with the set-up costs of their schemes. It will be paid for the first three years of the five year contract life.

- *Job Outcome Fees* – This is paid once the client is in work, the fee varies depending upon how the client is categorised.
- *Sustainment Fees* – This is paid for keeping the client in work and varies depending upon how the client is categorised.
- *Incentive Bonus* – If the provider is able to achieve outcomes 30% higher than the estimated non-intervention figure, a bonus is paid.

With its focus upon those ‘furthest from the labour market’, the scheme aims to help the long-term unemployed find work; people will be ordinarily referred to the scheme after being unemployed for 12 months in most cases and 9 months for those aged 18-24 (see Table 3.1 below). The main aspects of the scheme are outlined as:

- Introducing larger and longer term contracts for providers;
- A single programme for customers with earlier access for some people after 6 months of unemployment and inclusion of young people;
- A move to differential pricing with more money for the harder to help; and
- Payment for outcomes using the savings from the revised approach to benefit payments to fund long term sustainable jobs (1, 2 and 3 years).

Table 3.1: Groups who will be referred to the Work Programme

Group	Time of Referral	Basis for Referral
<b>JSA clients aged 25+</b>	From 12 months	Mandatory
<b>JSA clients aged 18-24</b>	From 9 months	Mandatory
<b>JSA clients recently moved from IB</b>	From 3 months	Mandatory
<b>JSA clients with significant disadvantage (e.g. NEETs, ex-offenders)</b>	From 3 months	Mandatory or voluntary depending upon circumstance.
<b>ESA clients</b>	Any time after the WCA	Voluntary
<b>ESA clients in work related activity groups</b>	When clients are expected to be fit for work in 3 months	Mandatory

Source: Department for Work and Pensions, 2010c

A total of 18 prime contractors have been awarded 7 year contracts, the providers are made up of 16 private sector and 2 voluntary sector organisations distributed into 18 regional ‘lots’, prime contractors will then subcontract to specialist and local organisations within a given region. Each regional lot contains two, or sometimes three, prime contractors and many of the larger contractors have a presence in a number of regions. An element of competition has been built into the design by creating a system which shifts the market share within a region to the best performing

prime contractor; this measure is on top of a minimum performance standard.

The governance structure here is very much centralised and top-down. At the peak level the Department of Work and Pensions invited interested parties to bid for the 18 regional ‘lots’. The bidding process attracted a varying number of bidders depending upon the regional lot ranging from 18 bidders for the North West lot and the Yorkshire and Humberside lot and 6 for the West Midlands lot. Concern has been raised over the concentration of contractors (for example Peacock, 10/06/11) with the 4 main groups involved dealing with over half of all clients. The 18 successful bidders, who have been awarded seven year contracts, are known as prime contractors, they then subcontract to other firms within their geographical scope. There is, however, significant scope for prime contractors to provide personalised help to clients free from peak level direction. This approach is known as the ‘black box’ provision and as the Department of Work and Pensions argued<sup>9</sup>:

*‘Specialist delivery partners from the public, private and voluntary sectors are best placed to identify the best ways of getting people back to work, and will be allowed the freedom to do so without detailed prescription from central government.’*

There is, indeed, scope within black box for prime contractors to create subsidised jobs themselves in order to get clients into employment and thus to gain the job outcome fee. A number of initiatives are planned such as a ‘Work For Yourself’ programme designed to encourage enterprise; ‘Work Clubs’ which will offer a forum for support amongst the unemployed; and ‘Work Together’ which will offer people volunteering opportunities. Significant freedom to design interventions is therefore encouraged within a centralised setting that regulates and demarcates.

The main goal of The Work Programme is to help get those furthest from the labour market into work. This goal emerged from analysis of previous welfare to work schemes which suggested the programmes were ‘creaming off’ the easiest to place clients whilst ‘parking’ the hardest to help who then became residualised (Finn, 2009) either within a labour market policy categorised as being ‘long term unemployed’ or by being re-categorised by being moved into incapacity benefit. The Work Programme is part of a triad of reforms that includes the Universal Credit benefit system (see Lister, 2011) and the Work Capability Assessment. The strategy of all three is to remove barriers to work. Thus the Work Capability Assessment targets those in the incapacity benefit scheme and seeks to find their capability to work with an aim of providing a more nuanced categorisation

<sup>9</sup> (DWP, 2010, par. 2.03)

of these clients based upon degrees of work capability, Universal Credit introduces a number of measures such as tapering of benefits to make work pay and means testing, and The Work Programme provides tailor made, individualised routes into work. However, how integrated these services will become in practice remains to be seen. What is clear is that transaction cost savings from integrating services and rationalising delivery have been a major factor here.

In terms of budget, The Work Programme is planned to become the sole back-to-work programme and as such has a planned budget of £5 billion over the next seven years. Importantly, The Work Programme is designed to be funded from money saved from future benefit expenditure as clients move into work (Work and Pensions Committee, 27/04/11). Indeed, as Freud (2007, p.68) noted, moving a person from incapacity benefit into work for one year saves the state £5,900 with the figure rising to £9,000 once tax is taken into account. This notion, known as the “AME/DEL switch” (making profit out of the Annual Managed Expenditure and transferring the funds to the Departmental Expenditure Limit) was first attempted by the previous New Labour government after Freud’s report (*ibid*) and its continued use can be seen in The Work Programme.

## Evaluative Judgements

The Work Programme’s target group, those furthest from the labour market, or those with multiple barriers, are categorised as such. That is, people are judged and then categorised. Therefore, what must be remembered here is that the notion of multiple barriers is thus contextual and requires an evaluative judgement. What characteristics are considered important and what characteristics are ignored is grounded in what Amartya Sen calls the ‘*informational basis of evaluative judgements*’ (Sen, 1991, p.16):

“In each evaluative structure, some types of factual matters are taken to be important in themselves, others not so. [...] In this sense, each evaluative system imposes – typically implicitly, certain ‘informational constraints’, which rule out classes of information from having a direct and first-hand role in evaluative judgements”.

This assessment process is crucial when we consider that the shift toward reciprocal workfare schemes such as The Work Programme entails an evaluative judgement to be made by officials that can dictate not only what direction a client will take within a given policy but also what options are open and closed within a range of auxiliary services and schemes including recruitment back into the labour market. The process of categorising shows how informational bases of judgement can

be fluid and rather than producing dualities of who can work and who cannot, or who is fit and who is not, they rather reflect the nature of the wider context. Just as when contraction deepens more people are rationalised out of the labour market, so during expansion more people are absorbed into the labour market. Not only are the ebbs and flows of the labour market important to understanding the notion of ‘barriers’ to work, a geographical element must not be underestimated – where a person chooses to be situated themselves (and their ability to move elsewhere when circumstances dictate) can have a major impact upon the categorisation of barriers to employment.

With this in mind, the following section will explore two case studies of programmes designed to get people back into work (or, indeed, in work for the first time). As such it will explore the notion of categorisation within the context of multiple barriers, analysing not only how multiple barriers are addressed, but also who is judged to possess such barriers.

### 3.2.2 Assessment of selected employment related examples

#### Case Study I: Tomorrow’s People

Tomorrow’s People was founded in 1984 by Alan Sheppard (later, Baron Sheppard) who at the time was an executive at Grand Metropolitan, a company that ran hotels and public houses in the UK. The inner-city riots that took place in a number of UK cities in 1981 formed the catalyst for Sheppard who took the view that government can only do so much to solve the background issues that contributed to the unrest and that corporate bodies had a role to play in tackling these issues not least from a commercial point of view as high unemployment and depressed neighbourhoods had a negative impact upon the high street. Initially Sheppard created an internal training programme within Grand Metropolitan which later became a charitable trust still based within Grand Metropolitan. In 1997 Grand Metropolitan merged with Guinness to become Diageo which continued to support Sheppard’s trust until 2007 when the trust, now named Tomorrow’s People, became an independent charity.

The focus of Tomorrow’s People is those furthest from the labour market: the long term unemployed, ex-offenders, NEETS, those with disabilities, the homeless, inter-generational unemployment. The charity specialises in small scale interventions of an innovative nature. It’s proud of the fact that 74% of clients it places into work are there 12 months later and that 79% of young people who complete a programme enter work, training or education afterwards. A major factor behind this success is the one-one approach that personalises interventions and the fact that many

advisors working for Tomorrow's people were at one time unemployed themselves. This not only creates empathy and understanding on the part of the charity, but it also means that advisors are better placed to probe the background issues leading to unemployment as they've often been in such positions themselves. The charity also believes that this factor contributes to a level of trust between advisors and clients which can be lacking in other organisations.

Tomorrow's People have been contracted to deliver The Work Programme in Plymouth, Bristol & Bath and East London which is a reduction in scope in comparison to previous contracts with the earlier New Deals and will imply a reduced number of clients from around 8500 to 3000 per year. Given that The Work Programme is still in its infancy and in many cases the referral process is yet to start, the analysis here will broaden to encompass a number of other projects that Tomorrow's People are running outside of The Work Programme. Four programmes will be covered: Community 35; a project to gives long term unemployed clients an active 35 hour working week, In-2 work; which supports young people at risk of becoming involved in gang violence, Working It Out; a 16-week course for socially excluded young people, and Families Matter Most; which tackles inter-generational unemployment.

### *Community 35*

A new initiative for Tomorrow's People, Community 35 aims to provide clients with the opportunity to be active for the entire working week, that is, 35 hours. It is planned that the week will be split into three days employment in social enterprises, one day of vocational training and one day of job search, employability skills and soft skills development. Importantly, Community 35 will bring clients closer to the culture of the 35 hour week and in doing so will encourage time keeping skills, planning travel and home life arrangements, stamina and concentration and will, it is hoped, lead to stronger motivation and increased self-confidence. As Tomorrow's People argue:

*“The overarching principle of Community 35 is that, personal circumstances permitting, participants undertake a maximum of 35 hours of meaningful activity every week. Just as an employed person exchanges labour for remuneration, Community 35 expects participants to exchange their time and labour in return for their benefits. This pre-empts the Government's plans for a ‘work for your benefit’ system of welfare to work support” (Tomorrow's People, 2010, p.4).*

Within the scheme is a strong support for the principle of conditionality. Tomorrow's People propose a covenant between state and citizen whereby a guaranteed income for unemployed people is balanced with an obligation to take up a ‘reasonable’ offer of work. The proposed tapering

of benefits outlined above would allow the guaranteed income to continue after work is found in order to make work pay with the ultimate goal of the individual finding work that pays above the guaranteed income which will trigger the stoppage of the benefit. Tomorrow's People also suggest that sanctions here should take the form of disciplinary processes found in employment legislation. Thus "further underlining the work message" (ibid).

### *In-2 Work*

This is a six week programme delivered in conjunction with the Metropolitan Police designed to reduce gang violence in the district of Lambeth in South London. Tomorrow's People has been able to deliver this programme three times; once with funding from the Metropolitan Police, another with funding from Lambeth Council and lastly through a grant from the charity the Stefanou Foundation.

The programme works by targeting those who are involved or considered at risk of becoming involved in gang violence and offering them a six weeks of one-to-one coaching and motivational workshops. The groups are small, between 10 and 14 participants, and this allows for the one-to-one sessions to identify individual employment aims and to probe the barriers which have hitherto prevented those goals from being achieved. Provision is both modular and flexible in that each element builds on the last but attendance requirements are personalised depending upon employment aims. Diagnostic assessment is used to create individualised action plans that set SMART objectives to overcoming barriers and achieving goals. As support is on-going, new objectives can be set or old ones refined as achievement progresses.

Supervision here is coupled with financial support in the form of fund which advisors can use to overcome certain barriers such as travel expenses or interview clothing. Furthermore, advisors engage in job brokerage with local employers to identify their requirements and then to match vacancies to the needs of the clients. Lastly a system of peer mentoring is in place where previous participants who are now employed are invited to become role models for current clients, particularly in the area of leaving gangs and violent crime. This mentoring continues after the project finishes in order to help resolve any issues and to offer further help in job searches and brokerage.

Tomorrow's People consider the scheme to have been a success in all three programmes. The initial scheme had a job entry rate of 40% followed by 50% for the second scheme and the last achieved a 64% rate. Positive outcomes in terms of either employment or training are high, rang-

ing from 75% to 86%. The success of the programme has also led to a grant of £496, 592 from the Big Lottery Fund Reaching Communities programme to continue the programme in South London until 2014.

Tomorrow's People argue that:

*“Without In-2 Work, these young people were likely to continue with their gang activities to the detriment of themselves, their families and communities whereas now they will act as positive role models to other young people in their communities.”* (Tomorrow's People, 2011a, p.5)

*“Lambeth has a particularly serious gang problem, with a significant number of London's gangs being located here. Many young people are growing up in a household where no one has worked for several generations. These young people don't even believe that work is an option, and bad experiences at school have probably reinforced that. We show them the positive benefits of work and how their skills and experience would be valuable in the workplace. Often it simply comes down to giving them some self-belief and helping to develop a plan that works for them.”* (Tomorrow's People, 01/03/11)

### *Families Matter Most*

This scheme tackles inter-generational worklessness. Tomorrow's People state that government employment programmes tend to focus on the individual and that there has been little attention given to whole families experiencing unemployment. These families often have “significant social, cultural and economic challenges which mitigate against their involvement in employment” (Tomorrow's People, 2011b, p.2). Engagement with these families requires an intensive and long-term input from frontline staff. Tomorrow's People argue that there is little evidence to show that short term fixes work for families where long term worklessness is part of the family's culture.

Families Matter Most is a family centred initiative which is being tested in a two year pilot scheme on an estate in Maidstone, Kent, in the South East of England where it is targeting 15 families. The location was chosen because there is an “endemic culture of worklessness amongst families [living there]” (ibid). Tomorrow's People believe that their approach is valuable because it is not connected to any statutory organisation, thus a level of trust can be built up with the families. Importantly, they argue that many families have experienced a number of unsuccessful short-term, target-driven interventions from a variety of statutory bodies and now tend to distrust such provision.

“As an independent charity, Tomorrow's People has the freedom to deliver an innovative and flexible range of support which realistically takes into account the families circumstances and the distance from the world of work without posing a threat to their position.” (ibid, p.3)

Referral to the scheme has been through local community projects and the first stage, which lasts around 3 to 6 months, includes the initial assessment of the family and the beginnings of support which focuses upon the main barriers to work. The scheme has four areas of intervention:

- Assessment of skills, qualifications, experience, confidence and motivation
- Family history, functionality, role models, practical support
- Housing, travel, influence of friends and neighbours, schools, community facilities, local employment and training opportunities, childcare, mentors
- Multi-agency working, joining up services

During the second stage, lasting around 6 to 12 months, support focuses upon developing the skills and experience necessary for entering the world of work. Accessing education, training, work experience, and volunteering are all considered key here. Furthermore, interview skills, CV preparation and managing the transition from education to work are also addressed. Lastly in the third stage, which also lasts 6 to 12 months, support focuses upon coaching and mentoring to ensure change is sustainable.

Initial outcomes of this project are positive with retention rates of 95%. Tomorrow's people believe a key factor in this high level is that intensive and tailored support is neither time nor target driven. Currently, at the mid-term review stage, all families involved have gained work related skills; 50% have taken up local volunteering positions and the other 50% have enrolled on adult education and training courses. Importantly, the scheme has not only enabled families to move closer to the labour market, but it has also had wider benefits such as improving the health and wellbeing of the families, parents are engaging more with their children and the families are engaging more in their local communities and feeling less isolated. The success of the project has meant that Tomorrow's People are now planning a national expansion of the scheme into five areas in England supporting a total of 400 families.

### *Working it Out*

This scheme is Tomorrow's People's main employment programme for young people and specifically designed to target NEETs with complex needs and multiple barriers to work. Typically, young people referred to the project have, inter alia, few secondary school qualifications if any; many have negative educational experiences; poor life skills and social skills; mental health

conditions; criminal records; housing issues or homeless backgrounds and often workless family backgrounds. Cohorts tend to be those that other agencies find hardest to help.

Working it Out runs as a 16 week programme, for 20 hours per week, in eight locations in England and Scotland and those referred to it are reimbursed travel expenses and subsistence whilst on the scheme. Key to the provision is providing opportunities for young people to demonstrate to themselves, their family & friends, and their local community that they can succeed at achieving their goals. The aim of the programme is to help people into employment through taking part in work-focused projects that benefit the local community and increase individual employability by building confidence and self-esteem as well as demonstrating abilities and achievements. Furthermore, the work-focused projects make significant improvements in the areas they are based which tend to have high levels of disadvantage and deprivation.

Working it Out recruits clients on a process of referral although it is possible for a person to refer themselves. Funding comes mainly from private donations and the programme is adaptable to the needs of the donor within the framework of a number of core components: referral, induction, action planning, community challenges, classroom activities, ASDAN Employability qualification, 4 weekly progress reviews, aftercare and tracking and weekly travel cards and reimbursed expenses.

After the initial referral and induction, individual action plans are designed during one-to-one interviews with staff that identify strengths and weaknesses as well as future goals and aims. The community challenges<sup>10</sup> or work focused projects give an opportunity for the clients to interact and to work as a team. The classroom activities present the biggest challenge in term of retention as this component carries the highest potential for disengagement from young people who have often had negative experiences of formal education. In some areas counsellors are employed to support clients with weekly meetings. At the project's end a graduation event is organised by the clients themselves which they plan in their entirety. It's attended by staff members, client's families, referral agencies and other key workers from the project. The event is designed to showcase the achievements and progress of the clients and as such helps to boost confidence and self-esteem. Aftercare is designed to help clients sustain the positive outcomes they've achieved on the project and to support their further development.

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10 The challenges must be legal, ethical, not put anyone out of a job, be focused upon the local community and give clients significant pride in their achievement.

Key to the success of Working it Out is the partnerships forged between the project and local enterprises which often offer work placements and mentoring from their employees. Partnerships are also common with referral agencies and other community organisations which help to foster links so that when the project finishes clients can transition to other agencies which support their progress. Retention on the project is high with an average of 80% and 79% of those who complete the project progress onto employment, education or training. One issue here is with tracking the progress of clients when they leave the project as young people tend to change mobile phone numbers and email addresses frequently, contact can easily be lost. Tomorrow's People are investigating using social networking sites to help keep track on previous clients.

### Case Study II : EOS Works

EOS Works is based in the West Midlands<sup>11</sup> of England and is contracted to deliver The Work Programme in Birmingham, Solihull and the Black Country<sup>12</sup>. Initially called *FourstaR Employment & Skills* the company was owned by the Dutch-based FourstaR Group which delivers welfare to work schemes in the Netherlands and Mentor Network, a US-based service provider in a variety of care sectors. In June 2011 the firm went through a change in ownership when the Staffline Group, an outsourcing organisation specialising in temporary placements, acquired the entire shareholdings of FourstaR Group and Mentor Network. Under their previous name, EOS Works had delivered the Flexible New Deal (The Work Programme's precursor) in the West Midlands where between October 2009 and June 2011 around 22,000 clients were referred to the organisation. The contract to deliver The Work Programme was won whilst still under the ownership of FourstaR Group and Mentor Network. Their name change occurred on the day The Work Programme went live.

EOS Works is a primary contractor in the West Midlands and shares the contract area with two other primary contractors: Pertemps and Newcastle College Group. Its head office is in Solihull and it has six Employment Centres located across the area.

The Employment Centres are large warehouse sized units, typically located in trading estates. These are then supported by smaller Metro Centres, Host Employers and supply chain partners. The large Employment Centres are designed to house many facilities under one roof and typically contain a mixture of classroom based and practical training elements where subcontractors can

<sup>11</sup> The total population of this area is some 2.6 million, however EOS Works does not cover the entire county as Coventry to the East is covered by a different contractor.

<sup>12</sup> An area North & West of Birmingham encompassing Dudley, Sandwell and Walsall

organise particular sessions and also where EOS Works situates its own one-to-one assessment centres.

Being a prime contractor for The Work Programme referral here is via the Jobcentre Plus and the fact that there are three prime contractors in the area means that clients are split equally between the three using a process which randomises allocation. Thus there is no specialisation here, that is, the Job Centres do not refer clients to a given provider on account of the findings of an assessment. Rather, the process is computerised and the prime contractors will have clients referred to them randomly that differ widely from those very close to the labour market to those that haven't worked for decades and have multiple complex barriers. Prime contractors are obliged to accept all clients referred to them by Jobcentre Plus and there is no mechanism for refusing a referral.

After referral EOS Works aim to arrange a one-to-one meeting with a client within 15 days, the initial point of contact is with a Specialist Advisor, at this stage EOS Works are keen to point out that no pre-determined categorisation has taken place. The type of benefit a client is in receipt of does not inform any assessment process. The Specialist Advisor helps the client to identify their strengths and to work out a personal Action Plan and from this plan on-ward referral to specialist sub-contractors is made. In principle, EOS Works refers clients to sub-contractors that are located no more than 40 minutes travel time away although in special cases this can be breached (for example a client with a disability is referred to a centralised specialist organisation). An important factor here is that someone who has been far from the labour market for a length of time may require assistance with organising daily travel arrangements and the longer the journey the greater the potential for dropping out of the scheme altogether. Therefore, often there are background factors that must be addressed such as motivational and organisational weaknesses before a client can begin to be 'work ready'.

EOS Works employs 20 first tier subcontractors and the contractual relationship between them was put together during the bidding phase for The Work Programme. As payment is by results EOS Works gives its subcontractors financial assistance during the initial stages of the Programme. There are also second tier subcontractors that offer specialist services and these organisations are paid as and when their services are required. Here a variety of organisations; public, private and third sector are involved ranging from charities focusing upon a certain disability to local chambers of commerce that assist clients that have expressed an interest in self-employment. Translation ser-

vices are also required on occasion as clients may not speak English and alongside language training sessions EOS Works has also had success in locating job vacancies in firms where the primary language spoken is the same as the client's.

Once a client is referred to a subcontractor they meet regularly with a Work Broker who assists the client in their progression as laid out in their Action Plan. The Brokers will also contact potential employers with the aim of finding work that suits the needs and wishes of the client. EOS Works are conscious of their clients being seen as a 'b-team' and they attempt to counter any stigma by carefully placing clients into a job that suits both parties. They argue that it is in no one's interest for a client to be pushed into an unsuitable job as these types of positions do not last long as either the client disengages or the employer removes them. The negative experience this creates also damages EOS Works who require good working relationships with employers in order to place future clients.

Once in work, a client is supported by an In-Work Support Officer whose role is to sustain employment by helping the client to overcome any issues that may emerge. Often it is only when placed into a job with routine working hours that an issue manifests and so the role of the Support Officer is crucial to keep the client in work. Issues here can range from having the organisational skills necessary to be in a full time job and still ensure home life is in control to having the self-discipline to attend work when a client's friends are socialising. Under The Work Programme this element has become even more important as the differential payments offer higher rewards for keeping those furthest from the labour market in work the longest.

### 3.2.3 Analysis

In both examples presented here we can see highly flexible systems focused on the individual. In the example of EOS Works we see a large organisation whose key role is to allocate resources, that is, to link the client with the subcontractor. For Tomorrow's People we see a smaller organisation that innovates with small focused programmes. The initial assessment interview is the important stage in both examples although continual assessment and flexibility allows for individualised plans to be re-formulated. In making assessments certain barriers are prioritised over others and often structural or institutional barriers need to be tackled first. However, in tackling these barriers the focus remains on the individual. Indeed, in both examples much emphasis was given to the need to address issues such as health, finances and care obligations before addressing hard human

capital. In fact, the goal of making a client ‘work ready’ was an important aspect in both examples and given that clients typically move into entry-level employment to be ready for work implies targeting soft human capital such as communication, organisation and presentation skills as well as motivation and self-discipline. Equity, that is, discrimination, did not manifest in either examples beyond the common notion that welfare-to-work clients are a ‘b-team’ and it was felt that by preparing the client and educating the employer, this issue could be overcome.

In both examples work itself is seen as the best form of welfare and although entry into the labour market is often at the lowest rung, both organisations work to make the placement sustainable in the hope of future progression. For ‘Tomorrow’s People’ the difficulty in tracking people over extended periods of time has meant it has proved difficult to monitor progression within the labour market. For EOS Works, as a profit making enterprise in a competitive industry, many internal measures of success are of a sensitive nature and are not in the public domain.

Working within the structure of ‘The Work Programme’, there is evidence of much customisation of delivery in the example of EOS Works, although much of this is a requirement of the Programme which has attempted to refine earlier welfare-to-work initiatives in order to remove certain negative elements such as creaming and parking and other perverse incentives. Clearly there are time limitations here set by the contract length; however as this has been extended from earlier initiatives and this has been welcomed. ‘Tomorrow’s People’ will also work within the structures of ‘The Work Programme’ however as a subcontractor their work is not so far progressed as EOS Works. In other programmes we can see how initiatives have removed all target-driven goals in the belief that they are counter-productive and often generate short-term and ultimately unsuccessful interventions.

### **3.2.4 Conclusion**

Within the UK there is much change within the landscape of welfare-to-work based upon the triad of reforms that includes the Universal Credit benefit system, the Work Capability Assessment, and ‘The Work Programme’ itself. Policy discourse is focused on those deemed ‘furthest from the labour market’ or those ‘hardest to place’, however the discussion here has shown that within that discourse there is a recognition that those judged to be hard to place are facing multiple barriers. Thus an implicit discourse exists on multiple barriers, contained within the language of furthest from the labour market and addressed through the triad of reforms. However, it must be

emphasised that these reforms are evolutionary rather than radical and that addressing multiple barriers, however articulated, has been a (implicit) policy goal for some time.

The case studies presented here have shown that in addressing barriers to employment supply side measures dominate and the goal of ‘work ready’ is explicit. Increasingly measures are becoming more tailored toward the individual and this is in recognition that a universal approach was at times counterproductive and provided incentives to remain outside the labour market. The current Coalition government argues that:

*“[T]he benefits system has shaped the decisions of the poorest in a way that has trapped generation after generation in a spiral of dependency and poverty. This has cost the country billions of pounds every year in cash payments and billions more in meeting the social costs of this failure.” (DWP, 2010a, p.1)*

That said, the individualised approach operates within the constraints of the Work Programme which has clear boundaries even whilst extolling the benefits of the ‘black box’ approach. Contractors may not be bound by ‘*detailed prescription*’ from central government, but they are required to operate within set limits. Although there is scope for measures to operate as a continuous service, often interventions are incidental as approaches are contained within the scope of JSA (and soon the Work Programme) and thus clients are referred to providers under the terms set out in Table 3.1, above. Furthermore, the process of becoming a client in the first instance is dependent upon claiming job seekers allowance and continuing to claim. There is scope for clients to disengage from the process by not seeking the allowance for a period (perhaps in order to bypass mandatory measures). There are, therefore, conditions under which the scheme can be fractured.

Budget cuts have been designed (or at least justified) with the aim of labour market (re-) engagement. Thus the discourse here amounts to *less eligibly* – clients must be financially worse off than those in employment. In practice, this has manifested in benefit caps (specifically around housing benefit) contained in the Welfare Reform Act (2012) which also introduces Universal Credit in an attempt to streamline the benefit system. One of the perversities of the British system is that whilst it implicitly recognises multiple barriers, including financial barriers, it assists clients with one hand through back-to-work programmes whilst hindering them with the other through benefit cuts.

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## 3.3 The Netherlands

### Els Sol

#### 3.3.1 The origin of current Dutch labour market policies

Two paradigm shifts stand out in the social reform dynamic of the Dutch welfare state at the end of the 1980s and into the 1990s.

In terms of *policy* substance there has been a shift in focus from social protection towards social activation with the larger active role of the individual person on benefit. The welfare state had increasingly been considered a safety net in which people were becoming trapped. As an alternative an activating government policy is pursued; a policy geared to helping people deal with setbacks, but at the same time enabling them to regain their footing in society, with re-employment services or as the Dutch started to call it ‘re-integration’ services as a central component. The shift was triggered by a seemingly unstoppable growth in unemployment, particularly growth in disability figures. This necessitated major cutbacks. Labour market initiatives alone would not suffice. Benefit recipients had to be helped back to work, combining employment services to assist people along the way, more stringent monitoring and harsher sanctions. The slogan ‘work above income’ indicates the direction. The aim of the activation is to enable the unemployed, people on income support and the partially disabled to actively participate in society again. The idea underlying the activation policy is partly that a high labor force participation rate will keep the Dutch welfare state affordable, and partly that having a job is ultimately the best thing for people themselves. Even for those with multiple barriers as work not only provides a person with an income, but also offers opportunities for development, fosters self-respect and encourages the formation of social contacts.

Secondly, in terms of *institutional design* there has been a shift of the roles and responsibilities of the state – central and local public agencies - towards *decentralised* management by local authorities and the market, away from state provision and delivery and towards a marketised re-employment system. Taken together these two shifts call for joined up forms of governance across the agencies and organisations and increasingly there is recognition for the need of joined up programs for effective policy outcomes.

The choice the Dutch government made for *decentralised* welfare management reflects broader developments in public government and in public administration (‘New Public Management’) more common in continental Europe. Responsibility for activating policy formulation and imple-

mentation has been transferred from the Ministry of Social Affairs to the National Benefit Agency (called UWV) for the insured unemployed and disabled and to the local governments for welfare. Thus far removed from national political upheaval. The underlying political argument was awareness of the importance of the local dimension and the need to go decentral in order to facilitate more tailor-made employment services policies and implementation.

Against this backdrop, the concepts of re-employment ('labour market reintegration'), activation and match play an important role. 'Re-employment' refers to the efforts geared towards specific, benefit-dependent clients, aimed at getting them back into paid employment. This means regular jobs; the primary goal of reintegration is not to prepare the unemployed for sheltered employment. Re-employment concerns people who are at a distance from the labour market (i.e. from real, regular and generally accepted jobs) and whose distance can be bridged. Furthermore, re-employment is geared towards a behavioural change on the supply side (unemployed) and, in some cases, on the demand side (employer).

Activating the individual must be distinguished from re-employment ('reintegration services'). Activating encompasses secondary goals such as motivation or participation in society, but does not encompass the final goal of mediation (match) into regular work. In the case of activation, the efforts are geared towards social participation/ sheltered employment; because of an unbridgeable distance, regular work is not achievable. However, if there is no distance to the labour market, there is no need for re-employment programs, and regular mediation (match) with regard to vacancies will suffice or – if there are no vacancies – one can try to create them through demand-side-oriented generic policy. The two basic elements of re-employment (distance, bridgeable) correspond with two important explanations for the supposed ineffectiveness of re-employment i.e. re-employment is redundant and re-employment will not help to tackle unemployment (Sol et al. 2011).

The activation paradigm has left its mark on all benefits schemes. The Dutch government no longer offers protection by providing social benefits. Protection means enhancing someone's options and resilience in the labour market (employability) in combination with *reciprocity*, an approach whereby each person who shows up at a benefits counter must be available for reasonable counter performance. This could either be in the form of paid employment, training or work experience or, in the most extreme case for people on welfare subsidized work (Westerveld, Sol, Knecht 2011).

There are three major public out-of-work benefit schemes, which are unemployment insurance, disability insurance and income support. To be eligible for the unemployment insurance scheme a recent employment track is required. The same applies to the disability insurance scheme. Both schemes provide benefits that are set as a percentage of previous earnings. The social assistance scheme is a means-tested scheme that provides flat rate benefits at the level of social subsistence. The design of and access to the benefits are based on detailed regulations and are determined by central government.

### **3.3.2 Dutch activation and re-employment policy**

In 2001 the so called ‘SUWI’- and in 2004 the Welfare reform ‘Work and Protection’ (WWB) implied major changes of the Dutch social security and welfare institutions. Since then there is a decentralized marketized employment system for insured unemployed and disabled as well as for persons on welfare. Labour market policies for welfare and their implementation are decided on at the level of the municipalities. Recently at the regional level a total of 35 jobcentres called ‘werkpleinen’ (work squares) have been created, a collaboration between local branches of the national Benefit Agency and local municipalities. The Ministry of Social Affairs maintains a ‘hands off policy’. Yet the minister remains ultimately responsible for the operation of the system of decentralized implementation.

In addition to the public system, since 2001 private for profit and not for profit agencies are active in re-employment servicing, both as integral providers and as niche players targeting the needs of the weaker groups. In the Netherlands there are mainly for profit providers. These deliver services both for public and private re-employment contractors. A national client board is active as representative organ of both (un)insured and welfare clients.

#### *Programmes and participants*

As mentioned above Dutch re-integration policies are aimed at outflow from unemployment of job seekers with a great distance to work, who cannot find regular work on their own, to regular employment. The benefit agency UWV and the municipalities each have the responsibility and resources to tailor via appropriate re-employment support, participation in the labour market. Instruments provided by the Ministry provides are re-employment services, premium reductions, no-risk policies, wage subsidies, employer and employee benefits.

Table 3.2 gives an indication of the number of serviced participants that started a job in the first half of 2011 by type of benefit. Formally the reemployment policies encompass all groups, but in practice there is less servicing for the more disadvantaged (Divosa 2011; see also next paragraph).

Table 3.2 Participants returning to work in first half of 2011 (amount x 1000)

	Total	Disability benefit	Unemployment benefit	Welfare	Not entitled to a benefit
<b>Unemployed starting a job after reemployment services</b>	62	7	18	32	5
<b>Starting on wage subsidies</b>	5	0	0	5	0

Source: CBS (2012) *Uitstroom naar Werk*. CBS: Heerlen.

### 3.3.3 Embedded Employability and Dutch labour market policy

Since the 90s the Netherlands uses profiling systems to categorize clients. Groups of clients are being assessed according to their labour market situation. In the latest system called ‘Participation ladder’ the clients are profiled according to their (feasible) level into five groups of clients. On a scale from 1 (isolated person) to 6 (ready for paid work), municipalities measure the distance of their welfare clients to the labour market. The goal is to move people from step 1 to ultimately step 6. According to a research report called “Participation in Development perspective” (Participatieontwikkeling in perspectief, Divosa 2011), people on welfare who are closer to the labor market receive proportionately more often reintegration activities. According to this report, in 2010 90% of the group on step five (paid work with help) participated in re-employment servicing, on the steps below, the percentage was lower, namely 70% on step three to 21% on step one. On average half of the welfare recipients participates in a re-employment program. There are several reasons why people do not get an offer. For example, a person can be considered as having (currently) no growth potential or investment is seen by municipalities as of no value. Other than UWV, municipalities not only deliver reemployment services directed towards return in regular work or step six (35%), but also in 65% of the cases care, social activation or work activation.

It is important to note that these 65 percent services are ultimately directed at return to the regular labour market. Before this was not the case. Already since World War II there was a rich culture of providing sheltered workplaces for disabled and in the 90’s a major subsidized employment programme in the public sector was introduced for persons with a large distance to the labour market, the so called ‘Melkert jobs’. These programs existed in isolation from (the labour market

policy directed at) the regular labour market. Lately both these programmes became under criticism. They are seen as being too expensive and locking in participants in a parallel market.

Nowadays gaining economic independence through paid work comes first as a political goal has been extended to persons with multiple problems. If that goal is not yet within reach, efforts must be made (to enable people) to actively participate in society in the form of social activation.

Until 2008 there was hardly any *national* political interest for the multiplicity of barriers from an employment perspective; if any, the interest came from other policy fields from a perspective of care. On the local level already for a number of years so called projects existed for the weakest of persons. Usually these projects were one-off and incidentally funded. In those days there was no monitoring, no structural finance and no embedding in mainstream labour market policy or in regular service delivery. Furthermore the institutional conditions for a consistently integrated organisation of re-employment and related services were not favourable (Kruiter 2008; Giltay Veth 2009).

Explicit prevention and reduction of multiple barriers became a national policy focus of the Dutch Ministry of Social Affairs against the background of shortages on the labour market in 2008 and following EC recommendations for a more coherent approach in the assistance and services to people with multiple problems (see chapter 1). Since 2008 the Dutch government has set itself a labour force participation target of 80 percent for 2020. To that goal it has further extended its activation policies to the most difficult group of benefit recipients, who before did not have obligations to work, those with multiple-barriers. In the year 2008 the term multiple barriers is for the first time explicitly mentioned by the national government. Multiple problems or barriers are defined as follows: ‘when a client has long-lasting complex problems in several areas simultaneously. These can be economic problems, cultural problems, regulatory problems and/or health or psychosocial problems that are mutually reinforcing and interconnected. Often this client is not able to develop adequate control in order to manage his problems, which makes it difficult for him or her to participate in society and on the labour market.’<sup>13</sup>

The activation paradigm for this group implies important challenges both for the domain of work and income itself and for related policy fields such as care and cure. Recently, the opportunity to better connect these policy domains has risen since both care for people on welfare, youth services and outpatient counselling services are being decentralized to the same local level of municipi-

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palities. Municipalities are now held responsible for a range of different areas of life such as care, welfare, education, housing, integration etc. and thereby for the efficient and effective so called multiple problems approach. Only medical care and education will remain beyond their reach. The Ministry of Social Affairs and Employment in its 'hands of policy' sees as its role delivering support through the dissemination of good (evidence-based) interventions on multi-problems, checking for concrete legal barriers for professionals and coordinating between ministries involved.

In light of this activation paradigm, exploratory research into the amount of persons on benefits suffering multiple problems and into targeted delivery of services was ordered by the Ministry of Social Affairs and recently became available.

### Characteristics of the group with multiple barriers

A first exploratory research report (Bosselaar et al. 2010) has mapped for the first time the volume of the group with multiple barriers and their characteristics. In total the report estimated the amount benefit recipients with multiple barriers to over 300.000, compared to a total of 900.000 benefit recipients. The study focused on skills, health but also lack of other forms of capital related to embed employability such as housing. Target groups are the young, low skilled, ex-offenders, mild mentally disabled and people with occupational limitations, which all to a certain degree were lagging behind with respect to the forms of social capital.

Table 3.3 gives an indication of the incidence of different types of barriers amongst the benefit recipients with multiple barriers.

*Table 3.3 Barriers that cause long term unemployment*

Barrier	Number	Percentage
Low skill level	299.802	33%
Health problem	295.957	33%
Older than 45 year	256.635	28%
> 3 years on social assistance	150.441	17%
Lone parenthood	108.292	12%
Hard core ill	60.133	7%
Very disadvantaged client	10.721	1%
Mild mental handicap	4.531	1%
Teenage motherhood	662	<1%
Homelessness	118	<1%

Although the causal relationship between and the weight of the factors in causing unemployment were not under research, based on interviews and literature the study point to a vicious circle of lack of capital. 'The underlying problems, such as low education and mental or physical limita-

tions, lead to the inability to find or retain work. This can lead to financial problems and social exclusion. The result may be psychosocial problems that reinforce social exclusion. Over time, psychosocial problems become a primary obstacle to make the transition to work.' (Bosselaar et al. 2010).

### **Opportunity structures: integral service delivery as multi agency working**

Nationwide programs targeted at increasing employability capital for disadvantaged groups if any are exceptions, as activation and reemployment policy is to a great part, and the implementation of reemployment policies is completely, decentralized to the level of municipalities. In order to get an overview of initiatives at the local level a second report was commissioned into the opportunity structures created by executive agencies in the field of welfare and unemployment and disability benefits. The report by the Dutch Inspectorate for Work and Income (IWI 2010) is based on a representative survey amongst frontline workers for both social assistance and unemployment benefit clients.

The report stats that frontline workers from different social domains have divergent thoughts about the importance and feasibility of labour participation in both paid and unpaid labour, which comes at the expense of proper diagnosis, referral and/or support for clients. Proper methods tackling multiple problems other than re-employment in combination with work and income problems, are missing. Bottlenecks mentioned by frontline workers are excessive caseloads leading to clients who are not or only minimally serviced, inadequate exchange of information, inadequate arrangements between organizations in and outside the domain of work and income and lack of proper ict. Each agency has its own outcome indicators; there are no common or integral indicators between municipal and unemployment benefit agencies. And effects of interventions such as reduced call on health and safety or less crime in municipalities are not made visible as they are not included in the indicators used.

At places a start with integral service delivery has been made. Three different forms of integrated service delivery occur:

- *Chain form*: clients are being helped at different moments in time, one *after* the other: work and income -> care-> housing. In this form there is no integral approach of client's problems.
- *Integral service delivery through one central point of coordination*: sometimes with a common central registration system.

- *Integral service delivery* with *mutual coordination* through bilateral contacts

The findings above are in line with those of a research project on work squares by the University of Amsterdam, which reports that joined up services between the UWV benefit agencies and municipal welfare agencies are focused on clients with a small distance rather than on clients with larger distances from the labour market (De Graaf-Zijl & Hoogtanders 2010).

As follow up of the report by the Inspectorate the government has started consultations with executive bodies (municipalities and national benefit agency UWV) in the domain of work and income over the need of cooperation between professionals, the promotion of exchange of knowledge of good methods and the provision of better insight into the social costs and benefits of interventions with multiple problems. To that effect the Minister of Social Affairs in cooperation with other Ministries recently also commissioned follow up research projects which products have become available in 2012:

- Intervention calculator*: a tool for social cost benefit analysis (CBA) tailored to multi-problem clients, with a large but not unbridgeable distance from the labour market, has recently become available to municipalities. The background for developing such a tool is that the cooperation between municipalities and all kinds of executive (help) agencies does not come easy. Agencies need to work together but do not do so automatically. Better insight in the costs and benefits of interventions through this tool might help municipalities. Based on empirical research the calculator forecasts results of an intervention, its costs and benefits and the time for the intervention to break even (SEOR/Berenschot 2012).
- Summary report of teaching multi problem servicing methods in teaching courses*: a report mapping a state of affairs of the methods available (and still lacking) for dealing with multi problems in higher vocational teaching for social workers. This shows that the faculties do not teach a specific methodology to assist clients with multi-problems and have little attention for courses directed at labour market participation issues due to a lack of supply of suitable training methods and students' lack of interest to choose labour participation related courses. (Molenaar - Cox et al 2012)
- A comprehensive guide for multi-agency working at the frontline*: this guide focuses on professionals (who start) working in an integral team (Nijhof et al. 2012)

d) *Guide towards a more prominent position for multi problem clients 'return to work in future*. Assistance is often unilaterally focused on providing care. Employment support, social, psychological and social assistance are still too often separate worlds. Currently the provision of care is paramount, labour participation only comes in second place. In collaboration with municipalities this guide provides guidelines for more effective and efficient organization of municipal services and ways to lift bottlenecks for re-employment (see box for bottlenecks 3.1).

*Box 3.1 Bottlenecks in multi problem service delivery*

- The service delivery is directed towards the individual, not the household. The result is that more problems than necessary are addressed E.g. solving parental problems can make youth do better.
- The approach focuses on care and has little regard for employment support, while the idea is that work leads to less need for care and economic self-reliance
- Too much is done sequentially: first solve addiction and debt problems, and only afterwards provide work support
- The current process often leads to passive clients
- There are too many frontline workers-helpers per multi problem household, resulting in diffusion of accountability and ineffective assistance

A prominent recommendation is to provide the frontline worker in the role of *personal* mentor-director with a mandate to appeal to existing facilities as domestic help and assistance in finding a home. Another recommendation states that the personal mentor-director should take care his vulnerable citizens can continue to do as much as possible themselves (De Levita & den Uyl 2012).

A last report providing an overview of approaches and methodologies that are available for addressing multi-problems is due later in 2012.

In the Netherlands there is a large body of best practice literature going back to the 80s and 90s that generally describe successful initiatives and good practice in integrative service delivery for disadvantaged. But whilst studies of individual projects describe examples of promising practice mainly developed apart from regular service delivery and financed on an incidental or one time basis (aptly described as a 'project carousel' by Giltay Veth 2010), repeated inquiries into services have highlighted implementation failures and disconnection between policy intent and policy effects (see a.o. Hoogtanders & De Graaf-Zijl 2011).

The frequency of institutional failures suggests that other barriers are at play. One major challenge is how to embed successful methods within regular service delivery without watering down their ingredients. An example of such a method is provided by the municipality of Amsterdam in their service approach of their troubled youth applied by the on-the-job training/reintegration company *Herstelling*, which offers programs based on a world heritage site already for fifteen years (DWI 2012). This method is discussed below.

### 3 Casus: A programme aimed at reintegrating troubled youth<sup>14</sup>

The approach of the youth programme adopted by the ‘*Herstelling*’ foundation tackles multiple issues by acknowledging the importance of both employee competences, such as knowledge of the professional field, as well as their behavioural background. It starts from the understanding that the behavioural background and appreciation of their psychological and emotional skills can increase the likelihood of young people ultimately achieving knowledge of their professional field and finding a job.

#### Basic characteristics of the project

*Herstelling* is a foundation established by the City of Amsterdam’s Work and Income Department (DWI), which targets young people who are at a considerable, if bridgeable, distance from the labour market and whose situation is often exacerbated by complex social problems. As a result, they are not only remote from employment, but also from participation in society. The young face multiple issues: special physical needs, problems in upbringing, limited education and criminal behaviour are just some of the baseline conditions that can impede progress. Others include low intelligence levels, negative peer influence and limited proficiency in the Dutch language. Often, participants have a lengthy police record.<sup>15</sup>

#### Types of interventions

The *Herstelling* Foundation focuses on cognitive, psychological and emotional skills and promotes development in these areas by means of constructivist learning or ‘learning by doing’. Through practical experiences and reflection on these with a work mentor, young persons can make progress in their new professional field both socially and substantively. The learning route at *Herstelling* Foundation includes basic employee skills, work training and focus on employee

<sup>14</sup> Thanks to Anna Swagerman, research assistant, for her contribution to this casus.

<sup>15</sup> See for baseline conditions for intake at on-the-job training company Annex 1.

skills, learning technique and learning to persevere, basic professional knowledge as well as career orientation.

The focus on ‘doing’ is twofold and aims to influence behaviour: learning by doing causes *habitual behaviour* and a different perspective on doing can result in different *conscious behaviour*. Herstelling uses a series of different phases, each linked to three dimensions which contribute to employability (Koen, Klehe and Vianen 2008 and 2009, based on Fugate et al. 2004):

- Employment-oriented self-image and orientation on employment
- Ableness: people’s own human and social capital
- Willing: adaptability and development potential

The initial information and introduction phase lasts three weeks in total, resulting in, among other things, a new perspective on the possibilities and clarity on the type of behaviour and employee skills required. The second phase of the on-the-job training varies according to the sector (from landscape gardening or construction to healthcare or hospitality and catering) and lasts around nine months. Through work experience supported by a work mentor, the young people develop professional knowledge and employee skills, while at the same time their problem behaviour is being tackled. During the outflow phase (13 weeks), the Herstelling Foundation takes advantage of its own network for work placements and employment contracts.

The programme influences on the three dimensions mentioned, since every phase focuses on different aspects of behavioural change. Firstly, habitual behaviour is affected because the programme takes place within a normal employment setting in an environment with few stimuli, where general rules relating to good employee behaviour apply. Conscious behaviour is also influenced by the “tough in terms of business, soft in terms of the person” philosophy adopted. This means that excuses are not accepted and absence must always be reported in advance. At the same time, a relationship of trust is created in which the work mentor provides encouragement in the form of gentle nudges and at the same time attempts to gain an impression of the mind-set that leads to specific behaviour. Home visits in the event of people reporting sick is an example of this philosophy: it is explained that absence is not considered a good way forward, but at the same time there is also a focus on the circumstances at home affecting the young person. One key instrument used is that of phase overlapping, which enables participants to form groups in which older participants can act as role models for newcomers.

## Outcomes

Ultimately, this methodology results in 50 to 65% of participants being supported taking on various different types of work. In 2010, there was an intake of 797 participants and an outflow of 539. Of these, 339 had positive results, such as transfer to regular employment or education. 200 participants were unsuccessful, for example because of a lack of motivation. Others left for various reasons, including detention or incapacity for work. Results at the Herstelling Foundation are relatively stable from year to year.

Table 3.4 Herstelling Foundation results over 2008/2010

	2008	2009	2010
<b>Inflow</b>	668	627	797
<b>Outflow</b>	404	591	539
<b>Positive</b>	282	339	339
<b>Other reasons</b>	63	103	102
<b>Negative</b>	59	149	98

## Addressing multiple barriers

### *Discourse on multiple barriers*

The underlying conceptual frameworks and resulting perspectives in terms of goals and action tend to lead in youth services, welfare work and ex-offender management to an image of problem youngsters that depicts them as victims or villains or people whose positive potential must be developed, whether they like it or not. These diverging views are rarely placed in the context of other perspectives. However, the increasing integration of various types of youth, welfare and criminal justice activities result in a change leading to effective, integrated care. There is collaboration, based on a joint analysis of the baseline situation and potential outcomes.

### *Capacity for identifying barriers*

At the Herstelling Foundation, there is an integrated perspective on the issues as soon as the young people begin their programme. An active approach is adopted with respect to encouraging this integration. Various professionals work together to develop a general body of knowledge made up of expertise, views and a methodological toolkit.

This means that each participant's entire file is examined jointly and discussed by various professionals involved. There is cooperation with the social assistance department (DWI) on intake selection. There is one consultant for every 30 young people to work on potential multiple social

issues or contact with youth services. A reintegration consultant compiles a comprehensive picture based on contacts with various institutions while another professional checks for details of a criminal record or makes contact with ex-offender management services. The deployment of and cooperation with various institutions makes it possible to develop a comprehensive picture of the problem youngsters and the barriers preventing them from moving on to employment. There is also the possibility of individual contact thanks to the use of small work units with a single work mentor for just six young people. This personal contact ensures that each young person's barriers can be viewed in isolation.

The Herstelling Foundation also makes it possible to achieve a more detailed analysis for people whose diagnosis is more complicated and in cases where there remains a lack of clarity with regard to the barriers preventing access to the labour market. This happens at the Zeehoeve diagnostic centre, part of the Herstelling Foundation, which provides diagnoses which can be used by client managers at DWI if they are unable to make an effective and unequivocal decision based on the available knowledge, information and time and therefore decide that a more detailed diagnosis of the possibilities and barriers of a particular client is necessary.

### **Range of barriers addressed**

A system of operational opportunities results because the Herstelling Foundation enables interaction to take place between the different domains that are important in achieving employability. Initially, efforts are made in domains that are of immediate importance in meeting the conditions in the labour market. For example, soft human capital is increased as the work setting allows skills to be practised that are required on the work floor – the work mentors draw the young people's attention to the importance of neat and tidy clothing and good manners, for example. In addition, the possibilities for obtaining diplomas or taking qualifications are assessed, and at the time of outflow support are provided in preparing for a job by taking advantage of the Herstelling Foundation's own network. This involves the deployment of hard human capital as well as social capital. Domains that are indirectly related to employability are also tackled at the Herstelling Foundation. For example, relevant bodies are approached if there are problems regarding housing, debts or healthcare. A youngster addicted to cannabis may, if necessary, be referred to the Jellinek clinic and if someone becomes homeless, the consulting officer will ensure that housing support is approached. This involves the deployment of housing capital, financial capital, health capital and care capital.

Table 3.5 Barriers addressed in the projects targeted at troubled youth

Barriers	
Addressed directly	Soft human capital Hard human capital Social capital
Addressed indirectly	Health capital Care capital Housing capital Financial capital Equity capital
Not addressed	–

### Evidence-based approach

The Herstelling Foundation works with instruments that have proven their effectiveness. These are based on a scientific model selected for DWI by the University of Amsterdam: the employability model developed by Koen, Klehe and Vianen, based on Fugate et al. (2004).

Dissemination of the approach takes place in part through the publication of the report “*Succesvolle leer-werktrajecten op werelderfgoed*” (“Successful on-the-job training programmes on world heritage sites”) by Vrooland (2011).

#### 3.3.4 Conclusion

Based on the information above, the following conclusions can be drawn on the state of the art of the opportunity structure for embedded service delivery in the Netherlands. First, the latest research projects and coordination initiatives prove that a national discourse on regular re-employment service delivery to clients with multi-problems has started. Whether or not this will develop into more than window dressing remains to be seen. Due to the crisis, and as a result of retrenchments, there is increased competition at the bottom of the labour market; employers have a big pond to fish for employees.

A positive development is the recent initiative to collect systematic information of the content and extent of the service delivery to multi barrier clients and the initiative to discuss and disseminate amongst municipalities and the national government, solutions for the institutional mismatch due to the compartmentalisation of the institutions. Furthermore the Netherlands is in need of proper diagnostic instruments for multi-barrier disadvantaged clients. The methodology of the approach of multi-barriers, especially the continuous search for a balance between (promoting) self-reliance and taking on the role of director, needs further development. Multi barrier problems prove to be not only problematic for persons, but also for service delivering organisations.

All in all service delivery to multiple problem clients in the Netherlands is in a transitional stage between purely project-based approaches for persons with multiple problems and embedded in regular service delivery.

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## Annex 1 Baseline conditions for intake at on-the-job training company of Herstelling

Multiple issues: baseline conditions	Effects in terms of employability
<ul style="list-style-type: none"> <li>● Special physical needs</li> <li>● Intelligence level</li>   <li>● Problem family</li> <li>● Poor upbringing</li> <li>● Lack of positive role models</li>   <li>● Proficiency in the Dutch language</li> <li>● Uncompleted schooling</li> <li>● No skills in primary school subjects</li>   <li>● Single parent</li> <li>● Poor housing or homeless</li>   <li>● Criminal record</li> <li>● Criminal behaviour</li> <li>● Bad influences in peer group/network</li> <li>● Social exclusion</li> </ul>	<p><b>Self-image and employment orientation</b></p> <ul style="list-style-type: none"> <li>● Issues with self-image</li> <li>● Latent insight into own failings</li> <li>● External locus of control</li> <li>● ADHD street behaviour</li> <li>● Psychological problems</li> </ul> <p><b>Human and social capital</b></p> <ul style="list-style-type: none"> <li>● Physical limitations</li> <li>● No primary school skills</li> <li>● Low IQ: limited cognitive learning capacity</li> <li>● Poor communication skills</li> <li>● No employee skills</li> <li>● Experiences of failure</li> <li>● Non-socialised behaviour</li> <li>● Inappropriate behaviour</li> </ul> <p><b>Adaptability and development potential</b></p> <ul style="list-style-type: none"> <li>● External locus of control/denial of personal responsibility</li> <li>● Situational rather than action orientation</li> <li>● Lack of motivation</li> <li>● Defensive responses in the event of cognitive dissonance</li> </ul>

## 3.4 Denmark

*Per Kongshøj Madsen*

### 3.4.1 The development of Danish labour market policy since the 1990s

Both when it comes to income support for the unemployed and to active labour market policy, the Danish organisation of labour market policies is based on a fundamental division between those unemployed that are members on an unemployment insurance fund and those, who are un-

insured. In case of unemployment the latter will have to apply for means-tested social assistance (cash benefits) that is administered and partly financed by the municipalities. The vast majority (80 per cent in 2011) of the unemployed are members of an unemployment insurance fund.

While the two-tier character of both active and passive measures has been and still is an important feature of Danish labour market policy, the system has experienced a number of reforms since the early 1990s having as their main characteristics:

- The introduction of a two-period benefit system for the insured unemployed with an initial “passive” and a subsequent “activation” period. Over the years, the passive period has been gradually shortened from initially four years to the present nine months for older unemployed and three months for unemployed aged less than 30 years. The total duration of unemployed benefits is two years. In the early 1990s the total duration of benefits was up to nine years.
- A strong emphasis on “rights and duties” for the individual unemployed, who has the right to get an individual “job-plan” spelling out the activities to be undertaken to get back to employment, but also the duty to take part in the different active labour market programmes.
- A decentralisation of policy implementation to regional and local authorities, which were to some degree empowered to adjust programme design to fit local needs
- The removal of the connection between job-training and the unemployment benefit system implying that any employment with a wage-subsidy no longer prolongs the duration of the period, where an unemployed is eligible for unemployment benefits

As described in more detail below, the two systems for the insured and the non-insured unemployed have from 2007 been integrated in new local “job-centres”. This integration was fully implemented when the state-run public employment service in August 2009 was formally laid down. However, the legal distinction between the insured and the non-insured unemployed remains, both when it comes to participation in active labour market programmes and to income support during unemployment.

### **3.4.2 Active labour market policy**

An important feature of the present system of labour market policy is its two-tier nature, which follows the dividing lines in the unemployment insurance system. At the individual level, the dividing line is therefore between those unemployed, who are members of an unemployment insurance fund, and those who are not and therefore eligible for means-tested social welfare.

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In 2007 the so-called “Structural Reform” implied major changes of the Danish public sector. The number of municipalities was reduced from 271 to 98. The 14 labour market regions (each headed by a director and a tripartite council) were replaced by four labour market regions – each still with a tripartite council. The councils however have lesser responsibilities than before and – most importantly – no longer have the direct control over the allocation of funds for active measures. The reform thus implies two important changes:

- The role of local government in implementation of labour market policy was increased
- The influence of the social partners diminished (probably as the outcome of some resistance from the present Conservative-Liberal Government and the Ministry of Employment towards the more powerful role of the social partners under the previous system)

At the level of the municipalities, the reform implied the creation of new jobcentres – one for each municipality. The jobcentres are responsible for both the insured and the uninsured unemployed and thus combine the tasks, which were previously solved by the social assistance branch of the municipalities and the public employment service. However, apart from 14 pilot job-centres, the formal legal responsibility for the unemployed is still divided between a state-branch and a municipality-branch of each jobcentre. The model is thus a hybrid between a one-tier and a two-tier system.

The responsibility for the payment of benefits to the unemployed is still divided between the unemployment insurance funds and the social security office of the municipalities. Table 3.6 gives an overview of the tasks and responsibilities of the different actors in the public employment system.

Table 3.6: Administrative and corporatist bodies at national, regional and local level after the reform of 2007 and the abolishment of the state Public Employment Service in August 2009

Level	Administrative bodies		Corporatist bodies	
	Name	Main responsibility	Name	Main responsibility
<b>National</b>	National Labour Market Authority	Overall managing of active employment policy	National employment council	Advisory body to the Minister of Employment in all matters related to labour market policy
	Pension Directorate (until January 1, 2011 the Labour Directorate)	Supervising the unemployment insurance funds and the municipalities' administration of cash benefits		
<b>Regional</b>	Employment Region	Supervising the performance of the local jobcentres	Regional employment council	Advising the regional labour market director. Monitoring regional labour markets.
<b>Local</b>	Jobcentres	Employment services to insured and non-insured unemployed	Local employment council	Advising the municipality and the local jobcentre
	Social security office of the municipality	Payment of cash benefits to non-insured unemployed		
	Unemployment insurance fund	Payment of unemployment benefits to unemployed and control of their availability for work		

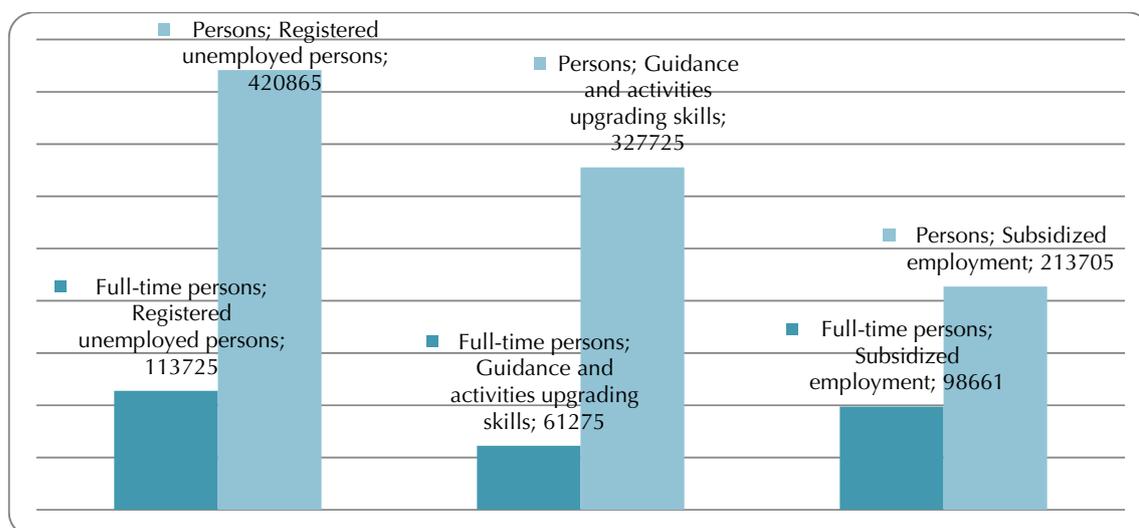
In addition to the public employment system a number of NGO's are active, mainly in targeting the needs of the weaker groups (e.g. homeless or persons with psychiatric problems). Some, but not all, are affiliated with religious organisations. A national council for the socially excluded (Rådet for social udsatte) is organised by the Ministry of Social Affairs and has an advisory role. It is composed of representatives of a number of NGOs mentioned above.<sup>16</sup>

#### *Programmes and participants*

As figure 3.1 shows active programmes cover about 160,000 full-time persons in 2010, which can be compared to a workforce of about 2.9 million persons. This includes participants in the so-called flexi-jobs, which are jobs with a permanent wage subsidy for persons with lastingly reduced work-capacity. Their number has been rapidly rising and in 2010 amounted to 52,500 full-time persons.

16 See [www.udsatte.dk](http://www.udsatte.dk)

Figure 3.1: Number of participants (full-time equivalents and actual number) in active labour market policy measures, 2010. Source: Databanks of Statistics Denmark. (blue = full-time persons, red= persons)



The figure has information about the main programmes of Danish ALMP:

- Guidance (including job search activities) and upgrading of skills covers a wide range of education and labour market training with duration up to one year
- Subsidized employment includes a variety of measures where a wage subsidy is paid to the employer.

They range from short-term traineeships to permanent wage subsidies paid under the flexi-jobs-scheme

The number of registered unemployed has been inserted for reference. Reflecting a deliberate policy shift of the present government more emphasis has been put on job training with private employers and on counselling under the heading “work-first”. Lower priority is given to educational measures. Also targeted measures have grown in importance due to the increased emphasis on the integration of immigrants and descendants.

### 3.4.3 Embedded employability and Danish labour market policy

The concept of embedded employability is not manifest in Danish labour market policy. However one could argue that an assessment of the various forms of employability capital is implicit in the assessment of the labour market situation of the unemployed, when they are profiled into three groups of clients applied by the job-centres.<sup>17</sup>

<sup>17</sup> The following is based on the description of the latest version of the so-called match-system from the National Labour Market Authority, cf. *Ny matchmodel – hvorfor og hvordan?*, December 21, 2009 ([www.ams.dk](http://www.ams.dk))

The first category covers those unemployed, who are assessed by the jobcentre as being without any individual barriers with respect to their employability and thus able to take a job within three months. More specifically they can be insured unemployed, persons on sickness benefits without a complicated disease (e.g. a broken leg) or persons waiting for a flexi-job.

The second group will have some form of setback with respect to their employability. It can be drug abuse, mental disorders or persons on sickness benefits with an unspecific diagnosis. However the assessment of the jobcentre is that they are able to participate in some form of job-focused active measure.

Finally the third group – labelled the temporarily passive or match group 3 – are unable to take part in job-focused activation. They may be eligible for disability pension, suffering from massive mental problems or having a severe sickness of long duration.

Citizens of the match group 3 must - as the only group in the job-centre - not have employment related offers under the Act on an Active Employment. However the job-centre must be in regular contact with citizens in match group 3 referred to the general requirements on interviews and follow-up. These conversations serve to clarify whether - and if so when - the individual is ready for an employment-oriented effort with active offers. The goal is to move people from match group 3 and towards employment.

The job-centre may involve the social services in the municipality where a citizen in need of help from health care or an intervention of a social nature from other parts of the municipality.

Under the Law on Social Services, the municipalities *can* make offers of a therapeutic nature to citizens with substantial and permanent physical or mental function or particular social problems. The offer is given when this is necessary to preserve or improve the citizen's physical, mental or social functions, and when this cannot be achieved through the treatment options that can be offered under other laws.

Furthermore, the municipalities *must* provide:

- 1) A special effort for people with impaired physical or mental function or particular social problems. This action is in order to prevent the problems from worsen, improve the individual's social and personal functioning and development opportunities and to improve opportunities for individual self-expression through contact, offers of social activities and treatment.
- 2) Treatment of drug addicts within two weeks
- 3) Sheltered employment to people who, because of significant physical or mental disability or special social problems cannot obtain or retain employment under normal conditions of work and unable to use quotations on other legislation.
- 4) Activity and social services for people with significant physical or mental disability or with special social problems for the maintenance or improvement of personal skills or the living conditions

#### 3.4.4 Characteristics of the weakest recipients of social assistance

A recent study has examined the characteristics of the weakest among the recipients of social assistance (Skipper, 2011). The categorization is based on the former “match-model”, which had five groups, where match group 4 and 5 were assessed as not being directly employable. Match group 4, however, was assessed as being able to participate in active measures, while match-group 5 was similar to the present match-group 3.

While the study is focused on health capital, it also included the other forms of capital related to embedded employability. Thus the persons in former match-groups 4 and 5 had the following socio-economic characteristics (Skipper, 2011:32):

- Seven out of ten non-labour-market-ready cash-benefit recipients had not completed any education or training after lower secondary school.
- None of the match groups had an average of more than four years in work, despite an average age of up to 40 years.
- The non-labour-market-ready had an average annual earned income of less than DKK 7,000.
- On the other hand, they received on average around DKK 100,000 a year in public assistance.
- Cash-benefit recipients in match category 5 had been on benefits for an average of 4½ years without interruption. For match category 4, the corresponding figure was 3½ years.
- Six out of ten non-labour-market-ready cash-benefit recipients lived alone.

- One in five in match category 4 and one in four in match category 5 were of non-western origin.
- 35% of cash-benefit recipients in match category 5 became recipients of early pension on medical or social grounds in the course of two years. For match category 4, the corresponding figure was 11%.

As part of the study, case-workers we asked about their assessment of the cash-benefits recipients in former match-group 4 and 5. The outcome was that (Skipper, 2011:33):

- Six out of ten non-labour-market-ready cash-benefit recipients were assessed as having problems with their vocational and practical competences.
- Half of those in match category 4 and two-thirds of those in match category 5 had problems with their outlook as regards the labour market.
- Eight out of ten in match category 4 and nine out of ten in match category 5 were assessed as having health problems severe enough to be an obstacle to employment.
- One in four of those in match category 5 had substance abuse problems severe enough to be an obstacle to employment. In match category 4, the corresponding proportion was one in eight.
- 26% of those in match category 4 and 36% of those in match category 5 had problems with money and networks.
- 45% of those in match category 4 and 57% of those in match category 5 were assessed as having problems with lack of personal competences.

Thus – and not surprisingly - the group in question was lagging behind with respect to all the forms of social capital at play within the framework of embedded employability.

### 3.4.5 Programmes targeted at increasing employability capital

#### *Business centers*

The nationwide program of employer-embedded project for weak groups (“business-centers”) is an alternative to traditional activation projects in the municipalities.<sup>18</sup> The business-centre is a concept, where the public job-center and employers cooperate in order to get the weakest of the unemployed into a real workplace. The idea is that the internship in the business-center will motivate the unemployed to further employment or education. During the internship, there is also worked with the unemployed person’s other problems. The difference between the business-center and traditional job training with public and private employers is therefore that the unemployed persons take part in the job-training activities with an ordinary employer at a very early stage without

<sup>18</sup> A special website is dedicated to the concept: [www.virksomhedscenter.dk](http://www.virksomhedscenter.dk)

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having to wait for the removal of any obstacles to employment (e.g. mental health problems). The idea is therefore to take activation out of the traditional “activation projects” in the municipalities and into a real employment situation. This strategy of business-centers calls for a close cooperation between the job-center and mentors for the unemployed in the firms. A contract is made between the job-center and the individual employers, which spells out the conditions for the cooperation and the number of interns that the firm will employ at a given point in time.

In the business-centers the unemployed persons are labelled “candidates” to stress that they are on the way to employment, not coming from unemployment.

There are different ways to organize a business center. It depends of size, industry, target group and the organization of the workplace. The four common models are the virtual center, the open “side-production”, the network-based center and the satellite center.

The *virtual center* is in some respects similar to the traditional individual job training, where each unemployed works together with an ordinary employee. The difference between this and the other models is that here is an opportunity to test various functions in the firm. The frame is a business center contract between the company and job center for at least 4 interns. The contract ensures management’s attention to the business-center, a common mentor and possibly common support activities e.g. language training and physical exercise. This model is common for instance in the retail sector.

The “*open side-production*” implies that that the candidate is employed in one department of the firm (e.g. the storage department), but there is also a possibility that the candidate can come out in other departments. The frame is a business center contract for at least 4 candidates. Candidates are assigned to a department within the company and solve tasks together, e.g. in a production line or part of a work function. A single mentor is responsible for ongoing attempts to ‘lend’ the strongest candidates to other departments / functions in the company to increase contacts with other colleagues and increase the possibility of placement in jobs.

In the “*network model*” the business center is affiliated with a network of companies. The contract is made with a core business in the network, e.g. a service office in a business park. The contract includes at least 4 sites with common terms. Candidates work both in the core business and the individual firms in the network. One mentor in the core business coordinates the cooperation between the job center, the candidates and the other networking companies.

Finally in the “*satellite model*”, the business center has an employment agency and its client companies. Again, the frame is a contract with at least 4 candidates with common terms with the agency. One mentor in the agency considers and advises businesses and follow-up on the candidates. There can be both collective and individual placements in the enterprises cooperating with the *private employment agency*.

Until now the two first-mentioned models have by far been the most widely used.

The use of business centers are now part of a series of initiatives by the Labour Market Authority - including ‘new chance for young people’, which is targeted at young unemployed under 30 years.

#### *Local employment projects*

There is a wide range of examples of local projects in the municipalities targeted at the weakest groups.<sup>19</sup>

#### Café Fair in Aalborg

The frame around this project is a café located in the center of Aalborg next to the Main Library. The basic idea is to create a realistic work environment for the young participants, while at the same time provide support with respect to overcoming their different employment barriers. The staff is composed of professional cooks or similar. In addition a number of students of social work are engaged in the project.

The daily routine in the café is the main pivot of the project. Here the young unemployed are engaged in the practical activities. In addition they receive support through individual counseling and assistance with practical problems (e.g. housing problems). They can also visit a fitness center and take part in formal education. During their stay with the project the participants furthermore have internships with employers and visit educational institutions in order to prepare them for the next steps in their transition towards the labour market. Annex 1 provides a detailed description of the project.

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<sup>19</sup> The two examples below are described in more detail in Bredgaard et al (2011)

### The youth-coach project in Frederikshavn

The youth coach project proves the young participants with a stable and safe environment and with close supervision by an experienced coach. Through a number of activities, the self-esteem of the participants is increased and their awareness of their own potential is strengthened. The ultimate goal is taking part in ordinary education. Annex II provides a detailed description of the project.

### **3.4.6 Conclusion**

The organization of the Danish employment service has been reformed in recent years. One of the aims of the creation of the integrated jobcentres servicing all groups of unemployed (including those facing multiple barriers) was to benefit from the synergies of different competences of the case-workers in the jobcentres.

While the term “embedded employability” is not explicitly applied in Danish employment policy, the awareness of the existence of multiple barriers to employment is evident. This is reflected both in the profiling of the unemployed and in the existence of programmes that target unemployed with problems other than just lack of employment due to for instance lack of specific skills or competences in job search.

As exemplified by the business centres and the youth project multiple barriers are addressed both a part of more general schemes and by individual projects targeted at persons with specific multiple barriers (e.g. young unemployed recipients of cash benefits). One of the challenges of the latter is of course to transfer the positive experiences from such projects into the general schemes.

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**Annex I: Detailed description of Café FAIR**

Target group	Activities	Objectives	Success-criteria
<p><b>Young recipients of cash benefits between 18-30 years with problems in addition to unemployment:</b></p> <ul style="list-style-type: none"> <li>• Inept young</li> <li>• Socially and mentally vulnerable</li> <li>• Psychiatric diagnoses e.g. (ADHD)</li> <li>• Abuse</li> <li>• School drop-outs</li> <li>• Criminal careers</li> </ul> <p><b>Substance Abuse Problems:</b> (young with incipient abuse):</p> <ul style="list-style-type: none"> <li>• (no needles)</li> <li>• Pills</li> <li>• Hash</li> <li>• Alcohol</li> <li>• “rapid substances”</li> </ul> <p><b>The social challenges:</b></p> <ul style="list-style-type: none"> <li>• Acquisitive Crime</li> <li>• Convicted of violence</li> <li>• Fragmented daily life</li> </ul> <p><b>Mental challenges:</b></p> <ul style="list-style-type: none"> <li>• ADHD</li> <li>• Social background</li> </ul> <p><b>Technical challenges:</b></p> <ul style="list-style-type: none"> <li>• Not graduated from lower secondary school</li> </ul> <p><b>Outside the target group:</b> Young people with severe diagnosed mental challenges and people who want to acknowledge or reduce abuse.</p> <p><b>In the segment:</b> Characterized by low self-esteem, lack of confidence in adults, many defeats in life, criminal careers and incomplete school courses.</p> <p><b>Number of participants:</b> A maximum of 36 persons</p>	<p><b>Opening hours:</b> Mon-Fri. 10-18. Saturday 10-15.</p> <p><b>Staff:</b> All are professionals i.e. cooks or similar. The Manager of the Café is additionally trained adult teacher. In addition, there are 10 student assistants who are in training to become social workers.</p> <p><b>Individual interviews:</b></p> <ul style="list-style-type: none"> <li>• Clarify the abuses and other challenges</li> <li>• Regard to the substance abuse counselor</li> <li>• Social psychiatric explanation</li> <li>• Motivate participants</li> <li>• Clarify competences</li> <li>• Sorting out the economic situation of the participant</li> <li>• Payment of fixed expenses (rent etc.)</li> </ul> <p><b>The coffee shop and canteen - the heart of the work</b></p> <p>The day begins with a joint morning meeting,, with a focus on:</p> <ul style="list-style-type: none"> <li>• Proper nutrition</li> <li>• Kitchen hygiene</li> <li>• Registration of absence</li> <li>• Individual daily plans</li> <li>• Distribution of responsibilities for the different tasks</li> <li>• Working in small autonomous groups.</li> </ul> <p><b>Organization of work:</b></p> <ul style="list-style-type: none"> <li>• Each group has a leader (the “captain”)</li> <li>• Training by instructions from more experienced participants</li> <li>• Working in small autonomous groups</li> </ul> <p>The role of “captain” is assigned to experienced participant who must then ensure that today’s tasks will be solved in the smaller autonomous groups.</p> <p>The Working tasks in the cafe/restaurant are with or without contact with the customers following an individual clarification of the participant. If a participant is for example suffering from social phobia s/he will work “backstage”.</p> <p><b>Parallel activities:</b></p> <ul style="list-style-type: none"> <li>• Training in own fitness center</li> <li>• Mandatory external teaching</li> </ul> <p><b>Internship:</b></p> <ul style="list-style-type: none"> <li>• Visits to educational institutions and enterprises for the purpose of a realistic settlement of preferences and opportunities for work experience or training</li> <li>• Continuous contact with the internship Office</li> </ul>	<ul style="list-style-type: none"> <li>• Small success experiences and increased confidence</li> <li>• Incorporated into a social community</li> <li>• Take ownership and accountability</li> <li>• Acquire new skills</li> <li>• Addressing individual challenges</li> <li>• Coping with everyday life</li> <li>• Ability to conduct training</li> <li>• Increase self-esteem</li> <li>• Realistic clarification of desires and opportunities for education and employment</li> </ul>	<ul style="list-style-type: none"> <li>• The primary goal is ordinary education, which must be seen in relation to the fact that the majority of participants are under the age of 25.</li> <li>• In addition, reference is made to ordinary employment.</li> <li>• <b>Retention:</b> Mentoring and the opportunity for contact with the Café through the transition period to education or work</li> </ul>

## Annex II Detailed description of the youth coaching project (part 1)

Target group	Effort	Active mechanisms
<p>Young unemployed recipients of cash benefits with problems in addition to unemployment</p> <p><b>Age:</b> 16-25 years:</p> <p><b>Issue:</b> Some young for one reason or another don't get started with training and thus cannot be maintained in the labour market.</p> <p><b>The characteristics of the target group:</b></p> <ul style="list-style-type: none"> <li>● Young people who are not ready for work or training</li> <li>● Weak formal skills and personal and social competences</li> <li>● Personal problems</li> <li>● Weak network</li> <li>● Learning Disabilities (Dyslexia/reading weak A)DHD</li> <li>● Anxiety/Social phobia</li> <li>● Beginning addiction</li> <li>● Mental disorders and depression</li> <li>● On the verge of crime, poor self-esteem/Self confidence</li> <li>● Those that have been stalled for a long time</li> </ul>	<p><b>Duration:</b> 12 weeks, possibility of prolongation. 25 hrs. /week. Average time on the project: 2-3 months.</p> <p><b>Coach:</b> A person with pedagogical skills (teacher training) and knowledge of addiction (substance abuse counselor trained), as well as insight into young people's culture and everyday life</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>● Initial interview: sets the framework for participation in the project and where the coach teaches each participant to know and coaches in relation to opportunities. Not focusing on problems.</li> <li>● Wake-up call. Some participants are awakened in the morning to get up in time.</li> <li>● Joint physical exercise.</li> <li>● Training and guidance. Joint breakfast with talk about everyday issues that young people can relate to. Then teaching and discussions of topics such as labor, education, job search, skills, values, responsibility, structure, collaboration, networking, anxiety, depression, addiction, meeting stability etc.. and the issues that young people find interesting. Additionally arranged visits to educational institutions or work-places.</li> <li>● <i>Individual coaching &amp; help.</i> Individual sparring with respect to educational guidance and job search. In addition, assistance with various practical matters, e.g. morning wake, doctor visits, interviews with study counselors</li> <li>● <i>Internship Contact.</i> Implementation of traineeships with employers or educational institutions</li> </ul>	<ul style="list-style-type: none"> <li>● Create <i>successful experiences</i> for the young, both via fixed frames, individual fitness programs, and activities for which the young participants are themselves responsible.</li> <li>● Create <i>reflection and learning</i> via active participation in joint teaching, feedback and recognition, the use of the "The Socratic method"; choose topics that focus on young people's needs and wishes, talk about relevant issues</li> <li>● Create <i>motivation</i> by setting goals which focus on strengths and opportunities rather than problems, apply a solution focused approach, and act quickly once the young have motivation for change.</li> <li>● <i>Ensure the correct help</i> to handle the young person's problems and then focus on opportunities</li> <li>● Establish clear agreements obliging the young; meeting the young where she/he is, if any. by acting as a role model, and establishing mutual trust and respect in the relationship</li> <li>● Facilitate individuals <i>successful experiences with respect to work</i> by taking the participants out to employers as soon as they have the motivation for it</li> </ul>

## Annex II Detailed description of the youth coaching project (part 2)

Active mechanisms	Important factors
<ul style="list-style-type: none"> <li>● Create <i>successful experiences</i> for the young, both via fixed frames, individual fitness programs, and activities for which the young participants are themselves responsible.</li> <li>● Create <i>reflection and learning</i> via active participation in joint teaching, feedback and recognition, the use of the “The Socratic method”; choose topics that focus on young people’s needs and wishes, talk about relevant issues</li> <li>● Create <i>motivation</i> by setting goals which focus on strengths and opportunities rather than problems, apply a solution focused approach, and act quickly once the young have motivation for change.</li> <li>● <i>Ensure the correct help</i> to handle the young person’s problems and then focus on opportunities</li> <li>● Establish clear agreements obliging the young; meeting the young where she/he is, if any, by acting as a role model, and establishing mutual trust and respect in the relationship</li> <li>● Facilitate individuals <i>success experiences with respect to work</i> by taking the participants out to employers as soon as they have the motivation for it</li> </ul>	<ul style="list-style-type: none"> <li>● Emphasis on the voluntary nature – young people are there because they want to, and undertake, thereby</li> <li>● Flexible reintegration – the young people will be referred to the project from many different sources, and there is the possibility to start under different conditions, according to the young people’s resources.</li> <li>● Flexible absorption, where the coach meetings the young on their premise, via the same language and the ability to “go into young people’s world”.</li> <li>● Focus on what the young people’s needs and wants are – the participants are asked what they want in relation to the action plan and the objectives</li> <li>● Young people’s freedom to take it at their own pace, no direct obligations</li> <li>● Preparation of individual action plan in cooperation with the young people (education/job plan), who feels the young people’s wishes and have a focus on objectives, small targets and longer goals.</li> <li>● The approach of the coach <i>to the young</i>: the empowerment approach, young people have a say/feel responsibility for the project,</li> <li>● Coach focuses not on the issues but on strengths and opportunities (solution focused) and takes as its starting point in the individual’s resources and competencies</li> <li>● Coaching methods; questioning techniques (the Socratic conversation method, i.e. enquire into how the young people themselves may find the answer, and becomes aware of the options)</li> <li>● The young people are supported in their own environments, where there is a which takes care of them, and who they can contact the morning and evening.</li> <li>● Coach grabs the young people’s motivation when it occurs, for example, running with them out and visiting places of training and internship sites as soon as they have the motivation for it, i.e. quick action</li> <li>● The coach will solve problems quickly as soon as they arise, e.g. in the follow-on effort, if there are problems at a training site, helps coach and ensures adherence</li> </ul>

## 3.5 France

*Jean-Claude Barbier*

### 3.5.1 The current system: main characteristics

As unemployment in the beginning of the 1990s was at record levels, all levels of government (*departments*, regions, municipalities) have increasingly been involved in some form of intervention: responsibilities fall mainly on the *departments* for MIBs (minimum income benefits), which they share with the family funds, when of course unemployment insurance is left aside. However, the main reform currently being implemented is the merging of the UNEDIC/ASSEDICs (unemployment insurance) and the PES (*Agence nationale pour l'emploi*). The French parliament passed an Act in February 2008, whereby this merging was decided for January 2009. When the merge was implemented (which in any case has been taking a long time to complete: as of 2012, the internal management of the new institution, *Pôle Emploi*, is still in crisis), it meant that placement and income replacement activities were combined under a new single institution's responsibility, as we will see in section 3. This has important consequences for the potential effectiveness and performance of the Public employment service. Social partners retained their competence in the management of unemployment insurance, while ex-ANPE and ex-ASSEDIC networks were merged. The reform of the PES, already on the agenda for many years, has been presented by the new government as a key factor for enhancing the effectiveness of labour market policies and institutions, but, as we explain in section 2, this has yet to materialize in 2012, amidst the economic crisis.

### 3.5.2 "Active" labour market policies/ strategies for activating social protection

ALMPs are to be considered in a wider perspective because they are part of a wider group of programmes and policies deemed to "activate" social protection (Barbier, 2004). PES activities as such are not always directly included under the ALMP heading; yet we will see in this section that PES reform is nowadays essential in all attempts to address the difficulties of individuals and groups who are considered unable to integrate the labour market because of various "barriers".

*The main reforms in the 1990s*

The fact that France over the last 20 years failed to achieve full employment and saw its unemployed population grow and remain stable is very well documented. Except for two periods

(1988-1990 and 1997-2001), unemployment rates were always high in European comparative terms. Before the crisis, the unemployment rate was still over 7% (mid-2008, and now it has verged on 10% into the crisis). Hence, for most of the period, French governments were confronted with the “employer of last resort” question (a question that has run more or less in French history since the French Revolution), the state being expected to provide temporary jobs when the market failed to deliver them. As a result – although never reaching levels observable in Sweden and Denmark – a significant proportion of GDP has been constantly devoted to employment expenditure (Barbier and Gautié, 1998). From the 1980s on, as Keynesian full employment policies became obsolete, *politiques de l'emploi*<sup>20</sup> gradually emerged as a new and consistent policy area for social protection. Throughout the 80s and into the early 2000s, programmes mixing both minimum income benefits and “job creation” schemes were seen as one of the main elements of *politiques de l'emploi*. In a nutshell, a mean yearly stock of 400 to 500,000 places was funded between 1993 and 2003<sup>21</sup>. Even in 2006, after a gradual decline, their stock figure was still close to 300,000. This provision was however never able to accommodate all target groups, thus ruining the programmes’ claim to ‘universal solidarity’. With the economic crisis, the government announced in the autumn 2008, that the figure was to rise again, and in 2010, 360,000 new contracts were signed. A similar pendular development is happening in 2012 with the arrival of the Ayrault government in power.

Moreover, these programmes are but one of the elements to consider for the painting of a broader picture of French reform strategies. In a nutshell, up to 2007, the French “activation strategy” was a combination of four more or less interlinked and more or less consistent actions. One has already been dealt with, namely sustaining or enhancing the “activation” logic in the domain of income compensation, along with the management of MIBs. Secondly, the central leg of ALMPs has been the emergence (and stabilization) of a sector of employment programmes, well entrenched, mostly *wage-based*, with training programmes for the unemployed (this sector bears some resemblance with Scandinavian programmes and corresponds to the function of “employer of last resort”): the implementation of this important provision of subsidized contracts was not inconsistent with the PARE-PPAE reform in the unemployment insurance system. Thirdly, a most consistent strategy has been pursued to foster the gradual decreasing of employers’ social contri-

20 The mainstream word used in French for an equivalent of ALMPs (see methodological remarks in the introduction).

21 The active population in France has been in the range of 24 to 25.5 million in the 90s. In 2009, the figure was about 28 million. See chart 1 in appendix, which shows the evolution of the main elements of employment and labour market programmes in the last 30 years (ministry of labour figures).

butions, in the double goal of overhauling the funding principles of social protection as a whole (substituting taxes for social contributions), and of fostering employment creation<sup>22</sup>. Fourthly, a protracted, and mostly ineffective, strategy was initiated in the 1990s to reform labour market institutions: in 2008, this strategy eventually resulted into a major reform of these institutions, with the apparent support of social partners.

In a first period, from the late 80s, programmes were gradually extended. They encompassed: (i) training schemes for the unemployed; (ii) temporary subsidised employment in the public and non-profit sectors; (iii) subsidised contracts in the market sector for certain hard-to-place groups. Training programmes put aside, almost all participants enjoyed an employee status (*statut de salarié*) and, consequently, were entitled to standard social protection rights (nevertheless, there has been a clear relationship between these schemes and the emergence of a “working poor” stratum in France<sup>23</sup>). The number of participants in the various employment programmes increased to about 11% of the active population in the late 90s (a stock of 3 million in 2000, if 330,000 (older) unemployed allowed not to seek work were included). For the period *before the crisis*, table 3.7 displays the main components of these programmes, including those for an early exit from the labour market.

*Table 3.7 Employment programmes and early exit from the labour market – end of year stocks of participants (thousands), before the crisis*

	1995	1998	1999	2000	2005
<b>Subsidised contracts (private) (1)</b>	1,415	1,689	1,694	1,573	1,015
<b>Subsidised contracts in the public and non-profit sectors</b>	458	438	493	521	275
<b>Training schemes</b>	344	316	315	287	262
<b>Early retirement</b>	195	185	173	164	67
<b>Older unemployed allowed not to be active</b>	279	276	300	335	405
<b>Total</b>	2,692	2,905	2,975	2,975	2,147

*Source: Ministry of Labour. (1) includes targeted subsidies and not general social contributions breaks.*

Table 3.5 figures in the late 1990s include a stock of about 300 to 500,000 places for the temporary subsidised jobs in the public and non-profit sector, of which the CES (*Contrats emploi solidarité*) were emblematic<sup>24</sup>. As a result, during the period, all governments – despite obvious reluctance from the more liberal ones – have stuck to the logic of the state as an employer of last resort to a certain degree, for fear of being confronted with even higher unemployment figures and with recurring social demonstrations, as those that occurred in 1995 and 1997. This has come to be a

<sup>22</sup> With regard to their impact, econometric ex-post evaluation studies differ widely.

<sup>23</sup> In its initial design, the introduction of the RSA (see previous section) was explicitly intended to supplement the income of the working poor.

<sup>24</sup> From 2004-2005, this contract was reformed and renamed, but, in 2012, its basic rationale was not changed.

structural feature of the French basic strategy, and it has been confirmed in the first years of the crisis. Globally, over the period, these programmes nevertheless failed to actually provide hard-to-place people (and the unemployed more generally) with effective transitions to conventional market jobs. These hard to place people have been classified in categories of “public prioritaires” (priority client groups) since the early 1990s. Some had cumulative difficulties (“barriers”) as for instance the disabled who were often long-term unemployed, or the low qualified young people who also were long-term unemployed. Only a minority of CES participants succeeded in gaining such access. Comparatively, at certain periods, other forms of temporary subsidised jobs, like the *emplois jeunes*<sup>25</sup>, have nevertheless yielded very positive outcomes for participants (although net effects on the labour market were controversial).

Additionally, subsidies targeted on contracts for the long-term unemployed or RMI<sup>26</sup> beneficiaries in the private sector have proved effective. Yet, while more similar to the Scandinavian “employer of last resort” rationale than to a liberal one in this domain, the overall French policy appears as implemented only half-way, because of limited funding and quality. Hence, a significant proportion of employment programmes could certainly not be viewed as effective but, as in many other countries, they have certainly acted as ways of decreasing “open unemployment”. These discouraging outcomes are a constant difficulty for politicians to legitimise programmes which they nevertheless continue to promote; such programmes also function as a tool for flexibilising the labour market, at its margins. They also concur to the increasing prevalence of inequality and segmentation and certainly foster the special relationship French society has built over the last twenty years with the concept of *précarité* (Barbier 2008a)<sup>27</sup> Such public programmes have been seen by evaluation studies as tools for flexibilizing the labour market, partly at the expense of the hard to place, the people deemed to suffer from the accumulation of “barriers” to their integration. Subsidized contracts in the private sector in table 1 include

25 The *emplois-jeunes* (or nouveaux services-emplois jeunes- NSEJ) programme was one of two flagship programmes introduced by the Jospin government in 1997, along with the reduction of the working time. NSEJ were 5-year ‘temporary’ contracts, signed by young people under 25 in associations and in the public sector.

Whatever its final net outcome, and efficiency balance, the NSEJ programme showed that the French government could create and manage an important programme of public and non-profit jobs in times of a labour market boom, a programme not targeted at the low skilled or the excluded and certainly not “workfare”-like. The programme was cancelled by the Raffarin government in 2003. In summer 2005, the de Villepin government eventually reintroduced a similar programme in the public sector, although on a much smaller scale.

26 Revenu minimum d’insertion (RMI) was the standard assistance benefit from 1988 to 2008, and was systematically accompanied by an « insertion » contract. This has meant that, contrary to what is often misinterpreted, France has been a pioneer in “activating” its social protection system (Barbier, 2004, 2005, 2006)

27 The English word is ‘precariousness’, it applies not only to employment but to living conditions.

all sorts of contracts with various types of social contributions breaks for targeted groups, for instance long-term unemployed or apprentices, but these figures do not include general social contributions breaks<sup>28</sup>, which have represented the main element of the activation strategy in France for nearly 10 years.

Indeed, although it has now become a thing of the past, one should not forget that the socialist government implemented a new form of employment policy from 1998, namely the reduction of the working time (RWT). Its rationale was job creation (RWT combined with social contributions' reduction). With the return of a conservative government from May 2002, as the RWT was abandoned, it retained and even extended the logic of the reduction of social contributions. In 2006, the global expenditure devoted to "active programmes" was estimated by the ministry of labour at about 13 billion €, a sum which is about half the total cost to the budget of the general reduction of employers' social contributions (nearly 30 billion euros for 2008)<sup>29</sup>. Only 10 years ago, both sums were comparable: this considerable change stresses how important it is to situate ALMPs in a restricted sense, within the broader strategy of activating the system of social protection (Barbier, 2004). Indeed, a short-sighted view of the 'activation' dynamics presently developing across EU countries would miss the connection between elements often referred to as "workfare", and much wider ranging reforms of "tax and benefit" systems. In France, the activation dynamics has been implemented through an extensive reduction of labour costs, and, only recently, emerging tax credits. On the reduction of social contributions side, there has been a gradual move from initially targeted measures to their quasi-generalisation, accompanying the reduction of the working time, for the lower paid segments of the labour force. Debates and controversies exist over the estimated outcome of the protracted reduction of indirect labour costs. Finally, in 2001, the Jospin government added a tax credit, the *Prime pour l'emploi (PPE)*, which is presently included in the RSA reform. The PPE was supposed to function as an instrument against poverty and to represent an incentive for work. As this tax credit programme was reformed in 2009, we will only mention some of its characteristics. Contrary to analogous credits in other countries, the French programme was inserted as a new element into an already complex system. In 2007, 9 million persons were eligible on the basis of their 2006 income, i. e., about 33% of employed people; the mean amount of the

28 Employers' social contributions breaks apply under 1.3 minimum wage (SMIC) presently. Levels of reductions differ, but are at the highest at SMIC level (around 30% of gross labour costs)

29 When the first social contributions' reductions were implemented, a part was not compensated by the state budget. From 1995, it was decided that all reductions were to be compensated by transfers from the state budget to the *sécurité sociale* funds.

credit was €480 (i.e. about 4% of their annual income derived from employment). It was estimated at that time that the impact of the PPE on the reduction of poverty was marginal and that its theoretical ‘incentivising’ dimension was also marginal.

In a nutshell, the French system can be seen as combining far-reaching and costly measures intended to foster job creation through decreasing labour costs, with traditional ALMPs combining subsidies in the private and public sector with training schemes for the unemployed. Moreover, traditional ALMPs have more and more incorporated “insertion” measures for the MIBs beneficiaries, thus tending to blur the differences between “assistance” beneficiaries and “employment programmes” participants, in the overall logic of “activation of social protection” (Barbier, 2004). The insured unemployed persons are supposed to actively look for jobs, and, since the 2005 reform, sanctions have been strengthened, introducing new possibilities for the local state authority (*the Préfet*) of suspending and reducing benefits for non-compliance and for refusing offers from the PES. Before the 2005 reform, the Labour code essentially stated that the unemployed had to accept offers in relation with his/her previous wage and occupation and according to his/her ability to be mobile. Offers were also included, for the long term unemployed and other targeted categories, subsidized contracts or training activities. Arguing that the Labour code was not clear enough, and with comparison with other provisions in other countries, like Germany, a 2005 Act detailed the cases where refusals to comply were not acceptable and led to suspension (or reduction) of the insurance (or, for that matter, the ASS) benefits. However, no data about the effects of this reform were ever published. The sanction system remained in any case complex, because it involved many actors: the PES (ex- ANPE, now *Pôle Emploi* and the former ASSEDIC regional branch), and the employment department under the responsibility of the *Préfet*. Hence, de-registrations by the PES do not lead to homogenous sanctions; this is even truer than, as was mentioned before, almost 40% of the unemployed are not eligible to insurance or ASS benefits. Without waiting for evaluation data, in August 2008, the government passed a new Act, this time defining an ‘acceptable offer’ (*offre raisonnable*): implementation of the new rules is still pending but it is supposed to start from October 2008. After 6 months of unemployment, insured unemployed people will have to accept offers at 85% of their previous wage and up to 30 km from his domicile (or one hour’s travel, to and fro). After one year, the offer will be deemed ‘acceptable’ at a wage equivalent to the benefit. Rights to appeal against the *Préfet’s* decision will be curtailed.

This reform will be only one among others to be implemented in the context of the merging of ANPE and ASSEDIC networks. Given the difficulties encountered by any merger of two large organisations, the process has been all the more painstaking, because of the 2008 economic crisis. Adding that employment opportunities are insufficient, the new reform inevitably obliges the harder-to-place people to take precarious jobs and increase their work-poor situation, a situation that RSA precisely intended to cater for in principle: the government initially argued that the new RSA benefit would help them out of poverty.

Any potential reform focused on people with “multiple barriers” has to take these overarching and powerful constraints of the existing system.

What was defining in 2008 and still is in 2012 is the systemic consistency (or inconsistency) of (i) the RSA reform, (ii) the merging of the PES and ASSEDIC networks, (iii) the subsidized contracts reform, and the (iv) perpetuation of the rationale of decreasing social contributions for employers. The situation is further complicated by the fact that only some of the RSA beneficiaries are de facto registered at the new merged *Pôle Emploi* (PES), and to seek jobs (see section 5). One should also remember that the reforms left AAH and ASS out of their scope. ASS is the only MIB where claimants are, in theory, obliged to look for work, but, only a minority (the younger) do so, older claimants being exempted when they are 57 until they become eligible for their pension. True, the August 2008 Act also provided, as was mentioned, for the gradual phasing out of the exemption by 2011, but at the time of writing a significant number of beneficiaries is still present in the programme.

In a way, although not presented together by the government, the 2007-2008 reforms have certainly tended, in theory, to render unemployment policies *much more systemically consistent*. Before such consistency is actually translated into realities, the system will in any case take a long time to adjust. Moreover, old MIBs will remain in force, and the sustainability of the funding of the RSA reform – a significant extension of tax credits in a way, including the previous tax credit (PPE) – cannot be taken for granted, as is explained in section 5. Finally, a supplementary condition for the success of these far-reaching reforms currently under design and implementation, lies in the smooth co-operation between levels of government, most especially the *départements*, but also the regions. The former have now acquired full responsibility for social assistance. The latter were given full competence in the area of occupational training. Many uncertainties still exist as to how compromises

will be eventually struck, especially about the question of funding. Another great uncertainty lies in the final agreement and cooperation between the social partners (still competent for administering unemployment insurance) and *Pôle Emploi*. To sum up: on paper, consistency has increased, but on paper only, and important elements of fragmentation remain.

### 3.5.3 France from 2007: except the economic crisis, *plus ça change plus c'est la même chose?*

Two essential reforms dominate the period 2008-2011 in France, a period of persistent economic crisis: the merging of the former PES (*Agence nationale pour l'emploi*) with the unemployment insurance funds (ASSEDICs) into the new *Pôle Emploi*, and the introduction of a new benefit, *Revenu de solidarité active* (RSA) that was supposed to revolutionize the French situation in social assistance. Less important was the subsequent reform of subsidized contracts for the unemployed and the assisted: the new contract, politically labelled *contrat unique d'insertion*, (although not unique in reality) has more or less replaced the former types without significant change. Because the economic crisis has strongly hit France, pushing up unemployment figures to values reminiscent of the early 1990s, both reforms (the PES and the new RSA) have meant little change in systemic terms in practice, and in the overall functioning of the interaction between income replacement programmes and “active labour market policies”. The purpose of this section is to analyze the changes brought by the two main reforms, and to stress some empirical features that any introduction of an approach in terms of integrated programmes for people with “multiple barriers” will meet. Obviously, the main problems posed to the French system after these rather radical reforms is not mainly to focus on the special treatment of certain targeted groups, but to address mass unemployment, and the interaction of macroeconomic and social policies.

#### *Institutional change and its consequences*

With hindsight, certain characteristics of the ‘French activation strategy’ (Barbier, 2008b) led to a relatively stable combination of measures. The start of the New Year in 2008 did not signal the end of that combination, but it radically changed certain aspects of it: the general reduction in employers’ social contributions, still dominant in terms of financing, remained intact; so did family policies, which were not affected by “activation”. However, changes for the working age people emerged, and others were implemented in the area of *minima sociaux*. In 2007, the French president announced a considerable number of reforms. The list of Acts passed in 2008 was im-

pressive: reform of the Public employment service, merging of certain *minima sociaux* (MIBs) (a clear instance of at least apparent similarity with Germany – Barbier & Knuth, 2011) simplification of subsidized contracts, reform of “social partnership” (i.e. the rules for unions to be formally accepted as “representative”), reform of employment contracts in the labour market. On all these issues, it was widely considered by French actors at the time that sharp policy turns were involved. It was believed that the new government intended to reform the French arrangements in a *systematic* and *systemic way*, in the direction of more flexibility and more explicit “activation strategies”. Hopes were also high in the higher administration that these reforms were to revolutionize and modernize the relationship between the unemployed and the PES: all recommendations that came from mainstream economists at the time went the same way (Cahuc and Kramarz, 2005). However, bar the reform of social partnership, all implementation processes directly clashed with the 2008 crisis. It is thus impossible to tell whether the post-2007 decisions would have eventually resulted in a *really new* (and not only notional) “activation strategy”, in the absence of the crisis. It is certain that new conceptions were developed that could have, just like the Hartz IV reforms in Germany, amounted to a “paradigm shift” in France in these policy fields (Barbier & Knuth, 2011). Nevertheless the manifestations of it are yet to materialise in actual terms.

The first reform to be implemented was the creation of *Pôle Emploi*. From January 2009, when the merge was implemented, it was intended that placement and income replacement activities would be combined under the responsibility of a single institution. Social partners retained their competence in the management of unemployment insurance (establishing social contributions and the balancing of budgets for the fund, in particular), while the unemployed were now the ‘clients’ of a single entity, which not only paid their benefits (PARE and ASS) but also delivered them the whole range of services and ALMPs. UNEDIC only kept its overall decision-making role for the social partners’ jurisdiction, while ASSEDICs and local ANPE branches were merged under the new name, *Pôle Emploi*. The reform of the PES and its merging with the unemployment insurance local funds had been on the agenda for many years. It was presented by the new government, in 2007, as a key factor for enhancing the effectiveness of labour market policies and institutions. However, this has not yet materialised, because of the sudden increase of unemployment (from 7% in 2007 to about 10.5% in 2010), which produced grave and persisting internal difficulties in the new institution *Pôle Emploi*. Two years later, there is little doubt as to the effective merging, but

immense interrogations remain as to the effective functioning of the new institution. These doubts were not only reflected in the broadsheet press that has become very critical, but they have now been articulated in important official documents<sup>30</sup>. With respect to the stated project of producing new programmes targeted at the people “with multiple barriers”, this is a very important constraint.

Another “activating” measure might eventually well be in jeopardy in the near future: the DRE (*dispense de recherche d'emploi*) which is supposed to be completely cancelled by the year 2012, forcing many – if not all – recipients concerned to look for work. It is difficult to predict today what the situation of the labour market will be like in the near future. Finally, from mid-2008, a new Act established a new definition of “*offre raisonnable d'emploi*” (normal or acceptable job offer), which restricted the range of reasons for which the unemployed could refuse offers. It was clearly an “activation” mechanism. Inasmuch as something is known about the present difficult situation of the PES (especially in terms of training and human resources management), it is generally considered that the actual implementation of new sanctions has been, de facto, very limited, because of the overload of the PES brought by the consequences of the crisis and the concurrent reforms<sup>31</sup>

Certainly, however, the reform that the government wanted most to change the French “activation mix” was the introduction of *Revenu de solidarité active*. As in Hartz Germany, this reform dealt with the lowest social safety net. While the reform was being prepared, some actors wanted all working-age *minimas sociaux* to be merged into a single one: ASS (for long term unemployed), API (for lone parents), RMI (the mainstream minimum income benefit) and AAH (for disabled persons). At the same time, the idea was circulated according to which all recipients would be legally obliged to register at the new PES (*Pôle Emploi*) and to look for work – an obligation that had never been imposed nor implemented formally before. Thirdly, another simplification was announced: instead of the four types of subsidised contracts existing in 2007, a single contract would replace them, streamlining employment conditions in the private and non-profit sectors. Finally, RSA was also to be partly merged with the existing *Prime pour l'emploi* (a supposedly “activating” and incentivising tax credit introduced in 2000, which all existing evaluation studies have considered ineffective in this respect). This comprehensive programme of reforms was hailed as consistent, winning support in many sections of the public and across party lines. At the end of the day, the system was to be based on a new “activation rationale”, that of “working more to earn more” (“*travailler plus*

30 After other reports, the French Senate delivered an assessment in July 2011.

31 Statistics of sanctions in France are not published and it is very difficult to arrive at credible estimates

*pour gagner plus*” was the presidential motto): as with *Arbeitslosengeld II*, any working-age *minima social* recipients would be “incentivised” to take a job, and at the same time would keep his/her benefit to a certain limit, as long as his/her new job did not pay more than the limit. In theory, it was a clear shift, paradigmatic certainly, although different from the German reform (Barbier & Knuth, 2011), when compared to the formerly dominant “republican *insertion*” (Barbier & Th  ret, 2009).

However, things did not go as predicted. The RSA Act – symbolically voted on 1<sup>st</sup> December 2008, twenty years after the 1<sup>st</sup> December 1988 (RMI Act) – was to be implemented from 1<sup>st</sup> June 2009, and so it was. AAH and ASS benefits remaining outside the scope of the merge, only API and RMI were merged. Moreover, the *Prime pour l’emploi* was merged on the same day for recipients with an income lower than the minimum wage (“SMIC”)<sup>32</sup>, but, as statistics showed in 2010, non-take-up of the new merged benefit by former PPE recipients was high. All in all, the immense majority of former RMI and API recipients make for the bulk of the 2011 caseload and, on two counts that can indicate a degree of “activation”, present figures are not very favourable: (a) the proportion of RSA recipients registered with *P  le Emploi* is at about the same level as it was before the reform<sup>33</sup>; (b) the proportion of RSA recipients who combine their benefit with a supplement linked to their employment – although tricky to compare with former proportions – has not altered significantly (this is another clear difference with the German situation in which the number of recipients of *Arbeitslosengeld II* rose sharply) (Comit   d’  valuation du RSA, 2011).

In a way, these data lead to the assumption of a very limited impact in terms of “activation”, while, on the other hand, one of the main provisions of the RMI Act was cancelled, that is, the unconditional nature of the right to RMI: the right to RSA is now conditional to looking for work, whether by registering at *P  le Emploi* or by organising similar contacts with the *d  partement’s* local administration (in theory, this applied – as it did in Germany – to all household members who were RSA recipients).

Finally, as of January 2010, a new *Contrat unique d’insertion* (CUI = single subsidized contract for insertion) replaced, as was expected, the various contracts that existed before: conditions of wage-based employment under the contract are now homogenized, and apply to the private and non-profit sectors. These subsidised contracts, part of the “activation supply” for the long-term

32 PPE is still in operation for taxpayers with incomes higher than the SMIC.

33 Although it declares the general obligation of recipients to look for work, the RSA Act envisages that recipients do not register at *P  le Emploi* and exercise their obligations with other associations or units designated by the *D  partements’* authorities (*Conseils G  n  raux*).

unemployed and target groups selected by the employment policy, are not very different from the previous mainstream *Contrat emploi-solidarité* analysed above (a part-time contract of at least 20 hour or a full-time contract for 6 to 24 months). When the crisis began in 2008, the government announced the funding of more of these contracts for the year 2010. Subsequently, the early 2010 stock of holders of such contracts again started to rise with unemployment, and pre-2000 numbers of such contracts could compare with what happened at the time. Such a dispensation was however, threatened by fresh measures introduced to curb the budget deficit in autumn 2010, but the situation is again uncertain in this respect for 2012: the new socialist government has promised to introduce new measures for the young.

### 3.5.4 Analysis: Durable features of implementation

How do these structural and long-term constraints for any “employment policy” in France do concern the question raised by the current comparative project? To understand this, we have to stress managerial and organizational traits that have been present in the Public employment service for a long period.

First, we have to acknowledge that, since the early 1990s, and the reform of the PES at the end of the 1980s, leading to the creation of a contractual arrangement between the state and ANPE (Barbier, 2007b), a long-term practice has been to prioritize what is labelled *publics prioritaires*, i.e. “priority target groups”. Since the early 1990s, these groups have remained relatively the same and encompassed: young people with weak qualification records, to be accommodated in the their first 6 months of registration; ex-RMI and now RSA beneficiaries; the disabled persons; older unemployed people after their 50<sup>th</sup> birthday experiencing difficulties and long-term unemployed people (after one year of registration); to these were added the unemployed in specific urban areas<sup>34</sup>. This list of targets can nevertheless be modulated at the local level, especially after the adoption of the *Contrat unique d’insertion*, but a working tradition in the PES has been to prioritize the service to these people, to the point that sometimes, PES agents had difficulties adopting mainstream cross cutting priority like equality between men and women. Obviously, individuals with “multiple barriers” already feature in the list now adaptable at the local level, but in the context of a deep management crisis in the PES, now acknowledged by all responsible authorities, the question lays more in how to alleviate the problems of this institution, rather than trying experimental programmes with

34 See for instance : Convention tripartite entre l’État, l’UNEDIC et Pôle Emploi, Ministère des finances, Bercy, 2 avril 2009, especially pages 12 ssq. « L’amélioration de l’offre de services aux personnes en recherche d’emploi et aux entreprises »

a particular target group. Unemployment is a massive question as it was in the early 1990s, and the prospects for its decrease are far away.

After the management reforms of the PES in the 2000s (Barbier, 2007b), attempts were made at profiling the unemployed, but these were unequal and contrasted, and finally it can certainly be said that there is weak use of profiling tools in the present PES in France. More importantly, “service levels” were introduced; this means that, from an assessment of the individual situation of the unemployed, one of the levels of services is implemented. After the merging of ANPE and ASSEDICs the orientation became one of more “personalization” but prioritised target groups have remained. Specific programmes at local and regional levels however exist, and associations and charities do care for certain categories of the unemployed.

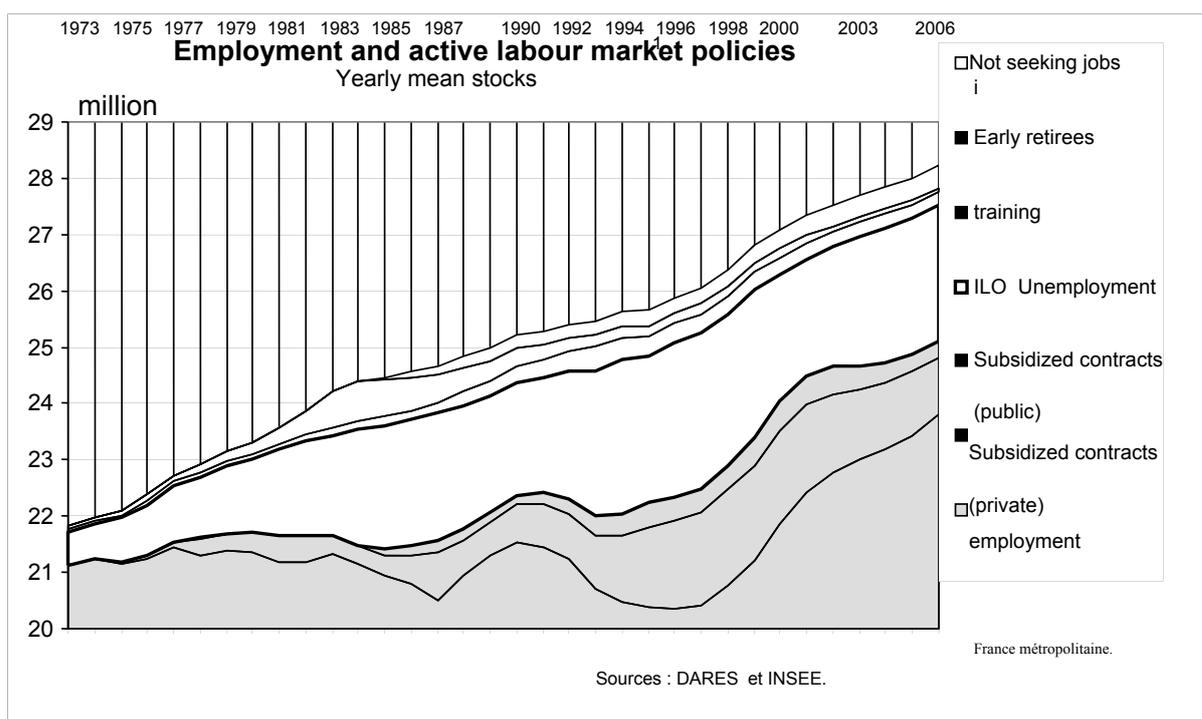
All in all, the treatment of the unemployed and the assisted persons has profoundly evolved in France in terms of its consistency with the sweeping reforms of 2008-2010. However, most of them were implemented during the economic crisis and have yielded few of the expected outcomes so far. The Public employment service is definitely overloaded and partly unable to implement some of the main elements of the employment policy decided by the government. This applies to essential features like the implementation of the “reasonable offer” for the unemployed, but also to a great workload of RSA beneficiaries who lack support completely. The new socialist government plans are hardly designed, except the repetition of former special programmes for the young; schemes allowing for the replacement of older people with younger ones have already been mooted. Experimental programmes might well be inserted in this situation and there are certainly actors in the French system of actors who presently favour the implementation of such experiments, that could accommodate an approach in terms of “multiple barriers”; in any case, this will not be the central concern in French policy at the moment of writing. The reforms implemented have also again demonstrated that quick-fix and sweeping reforms modelled along the usual prescriptions of mainstream economists (Cahuc and Kramarz, 2005) eventually fall very short of their initial promises. Reforming the PES and better adapting it to the needs of the citizens and users is a long-term process that will be the order of the day in the years to come, after the demise of the grand promises spelled out by the former French president.

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## Annex 1 – employment, inactivity and active labour market programmes (1973-2006)



## 3.6 Czech Republic

*Tomáš Sirovátka*

### 3.6.1 Introduction

In this paragraph we are focusing on the question how multiple barriers to labour market inclusion are addressed in the Czech Republic in the labour market policies. We will first analyse the overall context of labour market policies from the perspective of multiple barriers. We will then discuss the developments of the policies which address multiple barriers and how they have been developed in the recent period, thanks to the projects financed from ESF, and how they are positioned within the mainstream policies. In the third section we will assess the selected example of the project aimed at the group which is furthest from the labour market (Roma): we examine how well it addresses multiple barriers. In the concluding part we summarize our findings.

### 3.6.2 Current politics and policies for people with multiple barriers in the Czech Republic

In the Czech Republic, the overall conditions created by policies to meet the challenge of multiple barriers are not favourable. Labour market policies are not much coordinated with the other policies relevant for activation, low capacities in staffing Public Employment Services and deficient

financing of active labour market policy measures represent serious obstacles. Consequently, scope of the labour market policies is modest, targeting of labour market policies toward those who are furthest from the labour market is insufficient and the clients lack individual approach. This all leads to the adoption of rather simple solutions based on work-first strategy without attention to the issue of multiple barriers (Sirovátka 2008, Sirovátka and Winkler 2011). We explain the situation in more detail below.

Czech employment policies were never concerned too much with the issue of multiple barriers. As a key strategy against long-term unemployment and welfare dependency series of measures improving economic incentives were implemented since 2004 (see next section). With centre-right governments from 2007 and 2010 these policies have gained strength, underpinned with an explicitly moralist discourse individualising the problem of long-term unemployment, and indirectly de-honesting the welfare benefit recipients. The discourse concerned with ‘moral failure’ of the target group has become one of the arguments when reasoning on the other welfare state reforms which aim to cut the public spending in the context of crisis and post-crisis measures aimed to balance the public budgets.

This discourse is transparent in policy making and in public discourse. In a survey the managers of all Employment Offices in the country<sup>35</sup> as the most important cause/reason of high unemployment assessed low motivation of the unemployed to work emerging from disadvantaged ratio of wages to social benefits: the average mark given to this reason by the managers on the scale 1 (most important) to 7 (least important) was 2.81.<sup>36</sup> This reason was considered as more important than structural changes or low qualification of the unemployed (both causes in average 3.39). According to survey by CVVM (2010) in June 2008 (before crisis) 38% of the respondents thought that the majority of the unemployed is not interested to work, and even in September 2009 - in the middle of crisis and growing unemployment - this opinion was shared by 22%.

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35 The survey of 577 managers from 77 Employment Offices in the country was conducted by author in April 2010.

36 Similar results gained in a survey in 2003.

### 3.6.3 Activation and employment measures focused on people with multiple barriers

#### *Type of measures implemented - and the mode of activation*

The notion of multiple barriers is not used in the Czech policy discourse as may be expected with respect to the above mentioned individualization of the causes of long-term unemployment. The Czech Employment Act (No 435/2004 Coll.) only recognizes explicitly the groups which deserve ‘special assistance with job mediation’ (phar. 33). This is not, however, a reason for providing guaranteed job offer or guaranteed training offer or any other tailored employment programme.

The individualisation of the causes of unemployment, moralist discourse and public critique of failures and deficits on the side of the unemployed implied rather ‘work first approach’ in activation since 2004 (compare Sirovátka 2007) and since 2007 mainly ‘repressive’ sanctions (for the notion see Moreira 2008),

#### *Scope, variety and targeting of the active labour market policy measures*

The Czech Republic preferred rather ‘soft form of transformation’ by protecting employment in ineffective privatised companies (‘bank socialism’) in early nineties and only at the end of nineties this strategy came to end (Vanhuysse 2007, Saxonberg and Sirovátka 2009). Nevertheless, active employment policy remained an underdeveloped area of public policy in spite of the formal adoption of the European Employment Strategy.<sup>37</sup> Public expenditure on active employment policy are among the lowest in the EU, at the level of about 0.2-0.3% GDP (compare OECD 2010 and various years).

Between 2005-2007 the ratio of the participants of ALMP measures to the stock of the unemployed doubled from 19% to 38 % thanks to the resources from ESF. Nevertheless, during 2008 – 2010 this ratio dropped back to the level about 20%, in spite of the economic crisis which has culminated in 2009 with high numbers of the unemployed. The strategy of the policy makers has been to replace the national measures by ESF financed measures and to save money in government budget this way while conserving the scope of ALMP at the traditionally low level (see table 3.8).

<sup>37</sup> In 1998 the first National Action Employment Plan was elaborated, 6 years before joining the EU.

Table 3.8: Active policy measures and unemployment (Czech Republic), PES data

	2005	2006	2007	2008	2009	2010
<b>Unemployed</b>	510, 416	448, 545	354, 878	352, 250	539, 136	561, 551
<b>ALMP participants</b>						
<b>Public works</b>	16,846	18,011	12,374	7,708	19,797	21,452
<b>Job creation in private sector</b>	25,129	25,417	16,706	9,982	20,208	22,869
<b>Practice for school graduates</b>	28	2	-	-	-	-
<b>Sheltered workshops – creation</b>	1,592	1,606	1,284	974	1,231	1,588
<b>Sheltered workshops – maintenance</b>	7,914	9,608	8,235	9,349	10,315	10,076
<b>Subsidy for starting-up</b>	1,051	1,234	898	691	-	48
<b>Recruitment subsidy</b>	310	193	156	54	-	-
<b>Transport subsidy</b>	3,609	2,085	1,350	999	-	-
<b>Local projects</b>		2,323	868	24	204	459
<b>Vocational training (from which ESF)</b>	41,318	53,504 (16,306)	57,031 (35,675)	38,945 (12,901)	39,831 (27,945)	67,905 (59,081)
<b>Programs ESF (other than vocational training)</b>		27,227	37,655	16,584	38,905	28,665
<b>Total ALMP participants</b>	97,797	141,210	136,649	85,284	102,179	124,397
<b>ALMP participants as per cent of unemployment stock</b>	19.2	31.5	38.5	4.2	19.0	22.2
<b>from which ESF in %</b>		30.8	53.7	34.5	65.4	70.5

Sources: MLSA 2006, 2007, 2008, 2009, 2010, MLSA web portal

The limited financial resources and insufficient staffing of Employment Offices represent an obstacle to the individual approach and to sufficient offer of the adequate labour market policy programmes to those unemployed who suffer with the multiple barriers.

Data on targeting the measures of ALMPs document well the underrepresentation of the vulnerable groups. For example, a research carried before crisis shows that while in 2007 about 32 % of the unemployed in the registers were people with only basic education and 31 % were people over 50 years, their proportion among the participants in requalification/training was only 15 % and 17 %, respectively (Kulhavý and Sirovátka 2008).

#### *Link to other services and policies, coordination and governance of active labour market/activation policies*

In the Czech Republic, active labour market policies are delivered by PES (local Employment Offices) to all the unemployed not important whether they are unemployment benefit recipients, social assistance recipients or don't receive any benefits (the implementation of the measures is often subcontracted to the for-profit or non-profit non-governmental actors). Municipalities have no responsibilities in activation; they only provide social assistance benefits – typically to the long-term

unemployed since unemployment benefits are provided only for a period of 5 months (8 months for those above 50 and 11 months for those above 55).

Institutional split and lack of coordination of Public Employment Services and Social Assistance which is in competence of municipalities represents an important obstacle to address effectively multiple barriers. Public Employment Services cooperate only accidentally and unsystematically with social workers of municipalities who are concerned with different target/disadvantaged groups like Roma, disabled, homeless and other.<sup>38</sup> Beside, some barriers in fact cannot be addressed effectively even though such cooperation would exist: for example municipalities don't possess nearly any capacity of social housing since during nineties they have privatized/sold their housing estate.<sup>39</sup> Problems also emerge with caring services for children and elderly.

Lack of personnel capacity and financial resources makes implementation of tailored and/or individualized measures hardly possible. Individual contracts which have been implemented in the country during 2004-6 failed to change the situation. Employment Offices narrowed the measure to a mere signing of the contract and reporting a rather standard job-mediation process, while focusing the IAPs on more cooperative, more motivated clients at the same time. The MLSA decided later to make IAPs obligatory after 5 months of unemployment (since January 2009) but due to lack of personnel capacity this measure turned again to be formal contract without substantial consequences for individual work with the unemployed.<sup>40</sup> Due to lack of adequate financial resources for ALMP measures and due to under-staffing the comprehensive approach to those furthest from the labour market is hardly possible. Weak personnel capacities of Public Employment Services both in the centre (ESA) and at the local level (Employment Offices) Kalužná (2008) and confirmed by data by CZSO (about 1,800 staff are working in job mediation and counselling at EOs), means that the workload is about 300 unemployed per one front-line worker. The workload in districts with high unemployment climbs to 500-600 unemployed per one front-line staff, as it was sometimes evidenced in 2010 during crisis (author, interviews at the EOs).

38 This has changed since 2012 when responsibilities for social assistance benefits have been shifted from municipalities to Employment Offices.

39 They can only provide housing benefits.

40 Source: interviews by the author at Employment Offices.

### 3.6.4 Projects financed by European Social Fund: new opportunities for addressing the multiple barriers?

With the accession to the EU new opportunities emerged for labour market policies through possibility to use new financial resources of European Social Fund and other structural funds. This possibility was specifically important not only due to the increased resources but also due to the new forms of governance: the activities financed through ESF are expected to be organised in specific projects with explicitly defined targets and typically should be addressed to the specific groups disadvantaged in the labour market.

#### *Types of measures*

The coordinators of the projects supported from ESF may be other bodies than Public Employment Services, like NGOs in particular, who are closer to the target groups and are expected to provide more complex and more individual treatment; the conditions of the projects are adjusted to these expectations since the combination of different tools is required: for example individual and/or group counselling plus labour market training plus work experience job or supported job in private or public sector. The amount of the financial support provided in ‘grant projects’ is more generous per one participant than in any measures of the ‘national’ active labour market policy (compare Horáková, 2009).

Experience with such ‘project approach’ was gained in the period before 2004 within the EU scheme *Palmif*’ which supported rather small-size experimental innovative projects which have had to be later disseminated into mainstream policies. Even in recent years the practice has continued, to support several tens of small size projects (up to about 2 million EUR), which have had to be innovative and well targeted at the disadvantaged groups (see <http://www.equalcr.cz>). Within this scheme many interesting activities were carried - unfortunately no reliable evaluation studies exist on their implementation and/or results. The projects were focused typically on the disadvantaged groups and testified new policy tools including job rotation, temporary employment, etc. This scheme influenced in some respect the design of some new tools of labour market policy, however, it did not change much (with some exemptions) the overall approach to work with the vulnerable groups and use of labour market measures in mainstream policies since the overall non-suitable governance framework and inadequate implementation conditions (personnel and financial resources) did not allow such change.

Nevertheless, the experience and ideas of more comprehensive approach have been seeded across Employment Offices. Some projects have been disseminated during nineties as a standard practice to several EOs, like project Most/Bridge (by co-incidence it was first implemented in a city named Most/Bridge): this project was addressed to the disadvantaged youth (often unskilled teenagers, Roma including) and provided intensive individual and group counseling, training and work experience as well as support in job-search.<sup>41</sup>

Since 2005, the ESF projects have represented great opportunity to change both the content of the labour market policies (to make them more responsive to the multiple barriers) and similarly to make them better targeted to the disadvantaged groups thanks to generous resources and new form of governance of the measures (project based management).

#### *Number and variety of the projects*

Although the implementation of the ESF projects did not bring so much significant shift concerning the support of labour market integration of the most disadvantaged groups with multiple barriers, specific projects aimed at such groups like Roma, disabled, young people with social problems (school drop-outs or unskilled) or other are numerous and these projects often tackle several labour market barriers of these groups, although some other barriers are often not addressed. Such projects are being developed typically within so called ESF grant schemes and emerge thanks to the local actors (typically NGOs) and previously established local networks of cooperation where capacity to apply for the resources available from ESF exists.

The examples of the projects which deserve attention among them are numerous: these are mostly the projects aimed at Roma minority or long-term unemployed – often disabled, low-skilled, older workers – typically the groups exposed to multiple barriers. For a period 2007-2013 the following priorities of ESF were announced in the Czech Republic in the area of employment policies: ‘Support to increased adaptability of employees in the restructuring enterprises’, ‘Strengthening of active labour market policies’ and lastly, ‘Integration of socially excluded groups in the labour market’. In the case of some specific groups like drug and alcohol addicted, persons caring about dependants, ex-offenders, migrants and ethnic minorities, people released from the institutional care, this area of support is closely connected to the area ‘support to social integration

<sup>41</sup> The project has been successful in the sense that it attracted even non-registered youth who became interested in it through networks of their friends who participated there (visits and participant observation of the project by the author).

and social services' and 'support to social integration of Roma communities' which should provide broader social conditions enabling participation in the labour market programmes. The important condition for gaining support for these activities is 'complexity' and mutual interconnection/synergy of the measures.<sup>42</sup>

Under the priority 'integration of socially excluded groups in the labour market' which is the most relevant from the perspective of addressing the multiple barriers, by April 2010 for example, there were 26 projects running (typically in size between 2-6 mil. CZK/80-240 thousand Euro), 2 projects already finished. Under the Equal scheme during 2007-2008 there were evidenced 72 projects (from which 18 already finished by April 2011) which were in size between 2-50 mil. CZK/400 thousand – 2 mil. Euro.<sup>43</sup>

Typically, these projects have combined several labour market measures/instruments: individual and groups counseling, motivation/restart programmes, vocational training, job experience, in selected cases (between 10-25% of the participants in some groups like handicapped) also support to job creation, assisted job-mediation and coaching/supervision and support/supervision in new job. In some cases also meals and transport have been provided as well as assistance with administrative agendas: applications, negotiation with public administration, financial counseling and prevention of indebtedness, socio-therapy and similar. Several of these projects, similarly as projects under the Equal scheme are resulting into the 'methodical handbooks' on the job-mediation, counseling and training programmes for these vulnerable groups. Some of the projects have prioritized creation of jobs in ecological or social economy (often as sheltered workshops or sheltered jobs) (e.g. Burianová, Šimek, 2005).

#### *Position of the measures/interventions in overall policy framework and development*

The key problem is that although European Social Fund projects are underpinned with the specified objectives and indicators, which should among other improve targeting on the unemployed with higher risks of unemployment, disadvantaged groups are still underrepresented both in the national ALMP measures and in the ESF projects as well (Kulhavý and Sirovátka 2008, Hora et al. 2009). When looking at the actual specifications of the target groups in the ESF projects, we see that these definitions are often rather broad, allowing easy selection between or within groups

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42 See [http://portal.mpsv.cz/sz/politikazamest/esf/programove\\_obdobi\\_2007\\_-\\_2013](http://portal.mpsv.cz/sz/politikazamest/esf/programove_obdobi_2007_-_2013)

43 See <http://equalcr.cz/>

(the latter not being apparent in data, but still representing a typical strategy of service providers to get around the demands set by the conditions of the ESF projects), in favour of the better equipped unemployed. In this creaming-off, a crucial role is played by specific employers (for whom the unemployed are typically being retrained) and their negotiations concerning the final selection of participants with the private agencies (services providers).

Similarly, like content and targeting, the placement results of ESF measures converge recently to the results achieved with the national ALMP measures: it was measured, with the use of administrative data, how often the participants in ALMPs and the ESF projects appeared in the registers during the twelve months after the completion of their participation in the national ALMPs or in the ESF projects (i.e. an indirect measure of the employment effect) (Kulhavý and Sirovátka 2008). As regards the employment effects of the ESF measures, these were apparently better than the national re-qualifications (after 12 months only about 10 % of the participants appeared in the registers). Nevertheless, the analysis of the implemented measures one year later, in 2007 (Hora et al 2009), has documented a converging trend of ESF projects with national wide-scale ALMP measures in effectiveness: after 12 months 27 % of the participants in the ESF measures occurred in the registers, as compared to 25 % of the participants in national requalification programmes. The decreasing relative effectiveness of the ESF measures and the increasing relative effectiveness of the national ALMP measures was probably due to the increasing scope of the ESF measures (see above) which were used as substitute to the national measures: this strategy diminished the qualitative advantages of the ESF projects.

PES typically use to outsource the measures with use of less binding contracts. Financing rewards effort/activities only, not results/outcomes (placement). Similarly, neither service quality nor the composition of the target group is taken into consideration. The contracts are not suitable to guarantee sufficiently either the targeting at the most disadvantaged groups or the individualized and holistic approach towards them, not speaking about the results in their labour market integration.

### **3.6.5 Assessment of the policy practice (small scale project) addressing multiple barriers**

In this part we assess the selected example of the project aiming at multiple barriers. This project may be considered as typical in its key features for most of the other ESF individual grant

projects targeted at the groups with multiple barriers. The project was focused at the unemployed Roma who are the group furthest from the labour market in the Czech Republic, exposed to multiple barriers, socially excluded in several dimensions of this notion (see first section).

#### *Project basic characteristics*

Project *Micro-bus* (financed through Equal scheme) was run by Roma NGO DROM and several other NGOs, local Employment Office and municipality - local partners. The project was realised in its first stage during 2006-8 in Brno (second city in the country of about 400 thousand inhabitants) and after spread into six other localities in the country. The target groups were the long-term unemployed from the socially excluded localities who were nearly all unskilled/low skilled (and Roma): 1,143 participants, from which 1,018 were Roma, 820 unskilled and 740 long-term unemployed.<sup>44</sup>

#### *Types of interventions*

Within the project *Mikrobus*, the positions of specialized counsellors (11 positions) for the unemployed Roma were established, the programme of their specific training created and implemented and methodical 'instructive guide' for their work elaborated. Second, the labour market training programme for the unemployed Roma was applied and combined with counselling and assistance in job search. The intervention was based on the complex individual treatment, including motivation of the client by various measures. The personal assistance included help with the first contacts with the employers and assisted mediation, provided support with e-mail communication, and later in some cases supervision on the job. The training included the skills in self-presentation to employers (writing CVs and motivation letters, working with internet, role playing, interview with potential employers) and specific/professional skills: PC skills, different courses for driving licence, Czech and English language courses and other. Job club was run as a permanent form of support in job-search. In cooperation with local Employment Offices databases of the potential employers were created and cooperation with them developed. Another Roma NGO in the city initiated the programme aimed to involve the employers: Prize 'Ethnically friendly firm', with support of municipality (aimed to diminish discrimination of Roma in the locality of Brno).

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<sup>44</sup> Although she could not control sustainability of these jobs she emphasizes that these projects were run in times of high economic growth and increasing demand for labour, including non-qualified labour.

Similar project was run by another local NGO – IQ Roma Servis: the complex programme for social inclusion of Roma living in the excluded localities was established which includes the activities of the centre for education, centre for motivation and stimulation, centre for community and field work, centre for counselling and employment (in total about 20 workers were concerned with the activities), focused mainly on young Roma (Mergental, Vaculová 2008).

### *Outcomes*

In the final stage of the project 296 clients gained a job (30% of the participants) : this is assessed as a success if we consider the position of the target group in the labour market. Šimíková (2011) evidenced placement effects about 20% of the participants (for the part of the project run in Brno), although she could not control sustainability of these jobs and emphasizes that these projects were run in times of high economic growth and increasing demand for labour, including non-qualified labour. The assessment below is based on the observations by the author<sup>45</sup> and final report of the project (Mergental, A., Vaculová, S. 2008) and finally on case study by Šimíková (2011).

### **3.6.6 Addressing multiple barriers: a difficult dilemma**

#### *Discourse on multiple barriers*

NGOs dealing with Roma disadvantaged in the labour market are well aware of their multiple handicaps and the deficits of mainstream policies . They consider carefully about addressing these barriers as much as they can. At the same time, however, they feel strong limitations in addressing all the barriers their clients are facing, from several reasons.

Šimíková (2011) who carried interviews with the members of the project implementation team informs that they admit that their choice of the measures results from the assumption that *'it is impossible to change the conditions of the labour market and from this reason it is necessary to address the characteristics of those who should find a job'*. At the same time they also reflect on their limited capacities and implementation conditions (personnel, qualification and professional pre-conditions). From this reason they have preferred to address rather soft skills of the participants in order to help them with the access to the labour market (communication skills, job-search skills, motivation to job-search and other).

<sup>45</sup> The author accepted the role of external evaluator of the project.

We, however, recognize that this aspiration seems to be in part meaningful, considering impossibility perceived by project coordinator to remove the strong structural barriers which the participants of the project face in the labour market. On the other hand, soft skills or social capital and support provided in job search cannot probably outweigh the other deficits like hard human capital, housing, caring, equity, financial capital. Finally, in a practical respect the profile of the activities offered in the project was also motivated by the effort to create jobs for the staff of the Roma NGO since these positions of case workers are dependent on ESF resources largely.

#### *Capacity to identify barriers*

Thanks to their closeness to the clients, the NGOs carrying the project are better equipped to identify the specific barriers of the clients than it is a case in mainstream policies by Public Employment Services. The problem is rather in limited possibilities to distinguish the strength of the specific barriers due to the non-systematic examination of the barriers and in varying professional capacity of staff since they are not often educated in social work either individual, group or community social work. Thus the identification of the barriers is rather implicit to the process of individual work with clients. There is neither systematic profiling tool nor systematic examination of the significance of the individual barriers inbuilt into the process of individual case work.

#### *Range of barriers addressed*

Similarly some gaps are identified concerning range of the barriers addressed which in fact corresponds to the discourse on the causes of unemployment and to the aims of the project (see first paragraph in this section). Although the project emphasized holistic and individualized approach, the obvious gaps are apparent in addressing some labour market barriers like lacking housing capital, financial capital, equity capital (discrimination by employers as such) or caring capital<sup>46</sup>. And – in spite of all the effort - the deficits of human capital can be hardly eliminated fully since the counselling and labour market training programmes only partially remove the human capital barrier: for example they cannot increase the qualification of the unskilled up to the level of complete secondary education.

Šimíková (2011) has expressed several reservations: she argues that the content of the activities and services to the unemployed Roma is not much different from those offered by Public Employment Services, although it is more complex and mainly more intensive in individual work. Second,

<sup>46</sup> Zpráva (2010) refers that pre-school facilities are not available in the excluded Roma communities.

the project does not meet fully the assumption associated with the programmes realized by non-governmental organisations: this is that it should respond the needs of the target groups above all, while being less responsive to the demand of the local labour market. In fact, the project aimed rather at the support of and improvements of the quality of labour supply than at the changes on the side of labour demand and other circumstances/barriers - although the barriers in the workings in the labour market have been identified like insufficient regulation of illegal forms of employment, high indebtedness which harms all effort to motivate the participants to strive for the formal labour contracts. The key focus of the project laid in the effort to adjust the target group to the labour market demands, especially by motivation the clients to job-search and formalisation of the labour contracts, improvement of their soft skills, skills in communication with the employers in particular, self-presentation to the employers and in training in job-search and in practical support to job search. Thus, mainly the qualities soft human capital are addressed and partly hard human capital, indirectly social capital and equity capital (through help with negotiations by employer in order to eliminate the risk of discrimination). Similarly, some other barriers are addressed only indirectly through improved capabilities of the target group to prevent and to cope with debts. Some barriers are omitted since no tools are available how to address them like housing or caring capital and financial capital and discrimination as such (see scheme 3.9).

*Scheme 3.9: Barriers addressed in the projects targeted at Roma LTU*

Barriers	Individual b.(forms of capital)	Structural/institutional b.
<b>Addressed directly</b>	Hard Human capital, Soft Human (strongly addressed)	Equity?
<b>Addressed indirectly</b>		Social, Housing, Financial, Equity
<b>Not addressed</b>	Health	Caring

*Degree of coordination/integration of the activities*

The activities performed within the frame of the project were quite well coordinated through the case managers and then close cooperation with the group of the other staff providing the specialized services within the NGO involved. This way it was possible to provide integrated package of services to the clients within the activities of the project. On the other hand there was a limited access to the kinds of services which are provided by the (state) actors who were not part of the project.

### *Degree of individualization of the services*

The services provided in the project were sufficiently individualized and tailored since the project enabled above all as a key tool to create the positions for individual case managers. These case managers were dealing with a reasonable numbers of clients (up to about 100) – this is not the case in Public Employment Services practice (see above). The difficulty remained with the individualisation and tailoring of the services provided by other actors outside the project due to lack of close cooperation with these services and low accessibility of such services and lack of capacities for intensive individual work on the side of the other actors (see below).

### *Degree of coordination/integration of the institutions*

Local partnerships which supported the project included mainly local NGOs, local Employment Offices and municipalities. Municipalities were rather the passive actor (in fact they do not have any responsibilities in activation). On the other hand they have been supportive to the key actor (NGO DROM) by supporting some of the activities of this NGO which overlapped with the activities of the project (like social work and leisure activities for youth). Employment Offices performed their tasks like counselling and active labour market policy programmes rather in parallel than in coordination with the project activities. The cooperation of NGOs and Employment Offices did not improve too much: Employment Offices mainly channelled the clients towards the project (this means that they recommended their Roma clients to turn to project coordinators for help and assistance with job search) but they did not regularly cooperate in the activities of the project. This practice might possibly have negative consequences by increasing the risk of the stigmatisation and segregation of the project participants.

However, what we see as a key deficit is poor coordination of the support to individual job search by NGO DROM with the other necessary measures performed by Employment Offices like support to job creation and re-qualification/vocational training (only 40 project participants from 616 got some programme of vocational training in locality of Brno which is about 6% from the project participants. No subsidized jobs were available for the participants), see Šimíková (2011).

More cooperation was provided by the other leading NGO in the city (IQ Roma Servis), however, with providing some activities (this is by a project aimed at employers and by counselling, leisure and training services) available also to the participants of the project Microbus which were

performed rather as parallel activities. Lastly, cooperation with local NGOs working with Roma in the other cities enabled extension of the project (of course only after gaining support from ESF) to the other six cities in the country.

#### *Final assessment*

The project brought some innovative principles which include the holistic approach, individualized treatment and it was underpinned with local partnerships. These qualities were rarely offered in the mainstream policies. The following circumstances contributed the forming of such initiatives: social capital within Roma community formalized also in the strong Roma NGOs in the city of Brno (and in the other cities joining the project later); partnership between Roma NGOs and municipalities which supported financially the activities underpinning the project; new resources of ESF available for these activities, and trust of the target groups to the project coordinating body.

We may conclude that although the individual treatment of the clients in the project is much more intensive than in mainstream policies, innovative and well targeted, multiple barriers are addressed only to a limited extent. The problem is first, that the project is not well integrated into the mainstream policies: although local partnerships were created their performance was not so much effective since the state bodies did not change their working standards and procedures. Second, several tools which would be necessary to address the multiple barriers are not available for the target group in the project, due to limitations in mainstream policy framework.

### **3.6.7 Conclusions**

#### **The concept of embedded employability and discourse on multiple barriers**

In the Czech Republic, the concept of multiple barriers is not used in mainstream policymaking. The prevailing policy discourse is rather concerned with the ‘individual deficits’ of the unemployed. Nevertheless, the non-governmental organisations are well aware of the problem of the multiple barriers to the integration of the target groups into the labour market.

#### **The target groups addressed**

The measures of mainstream policies as well as the specific projects financed by ESF are targeted above all at a wide range of target groups which are specified in the Employment Act as groups which deserve specific treatment. These groups include long-term unemployed, disabled,

low-skilled, school-leavers, elderly workers, women with children and other groups which need specific treatment (like ex-offenders or socially non-adaptive<sup>47</sup>). However, the measures addressed to these groups by mainstream policies are mainly one-sided (concerned with work incentives and some other individual deficits like lack of hard and soft human capital in a limited extent). The projects financed by ESF emphasize more the barriers like human capital deficits or other barriers (see below).

### Addressing multiple barriers

The mainstream policies of labour market inclusion in the Czech Republic are not designed well with respect to the multiple barriers. Labour market and activation policies are underdeveloped, not well targeted at the groups furthest from the labour market, least individualized. In fact they neglect the issue of multiple barriers: rather simple solutions addressing labour incentives and some deficits of the individuals in job-search skills are preferred. Similarly, the governance framework and implementation conditions don't enable to address multiple barriers adequately.

The analysis of a selected example of the small-scale project has shown that the project brought in contrast to mainstream measures more holistic approach and individualized treatment and local partnerships. On the other hand, although the individual treatment in the project was more intensive, innovative and well-targeted, multiple barriers were addressed only to a limited extent. The problem is first, that the project is not well integrated into the mainstream policies and second, tools which would be necessary to address some of the barriers are not available for the target group.

When taking into consideration also the other projects supported by ESF like the projects targeted at the long-term unemployed (*Quite good chance*/*Dost dobrá šance*) run in several localities affected by high unemployment we come to the conclusion that these projects mainly enable to provide more individualized treatment and to combine several tools of labour market policy.<sup>48</sup> On the other hand they don't aspire explicitly to address the multiple barriers. Such aspiration would not be reasonable due to the obstacles to bridge the different segments of the social policy system and due to the insufficient capacity of the key actors in these projects (NGOs including) to fulfil this task. To generalize, the most distinctive feature of the projects addressing the groups facing multiple barriers when compared to the already existing initiatives in national schemes has been the explicit targeting towards these target groups which are marginalized in the labour market.

<sup>47</sup> By this mainly Roma population is labelled.

<sup>48</sup> See <http://www.dostdobrasance.cz>

Second, it has been greater ‘policy effort’ and better treatment of the target groups in terms of individualization of the approach and sufficient time devoted to the participants by the individual counsellors – case managers.

### **Integration of the measures addressing multiple barriers into mainstream policies**

With the introduction of the projects financed by European Social Fund which are often absorbed by grass roots activities of various actors many examples of innovative approaches have appeared. These projects, however, can hardly overcome the structural gaps in mainstream policies which make impossible to address properly the barriers like lack of housing, child care, finance or access to jobs due to discrimination. On the top of that such projects are until now only marginally integrated into the mainstream policies. Rather they diminished in scope since most of them tend to become similar to mainstream policies by their deliberate integration into the national ALMP schemes (along the standards of the national schemes). It is not clear whether the above initiatives may be sustainable in the long-term considering their strong dependence on ESF financing. The good practices are absorbed by mainstream policies only slowly and in a limited extent.

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## 4 Conclusions and recommendations

### 4.1 Summary and conclusions

Common practice in evaluation studies of the effects of re-employment policies is isolation from other policy interventions, the so called ‘ceteris paribus’ stance or point of view. This practice has left us with ‘false necessities’ (Hemerijck 2012) and an underestimation of the relevance of governance for effective re-employment policies. Especially for those who face serious obstacles in finding and keeping jobs. In order to be able to better distinguish in which environments or domains, other than employment, obstacles for individuals may occur and under which conditions interventions might deliver added value for re-employment, we used in this report the concept of embedded employability and introduced the approach of barriers and forms of capitals.

#### 4.1.1 Quantitative analysis: the influence of various capital forms

We started with a problem analysis, a quantitative analysis of the barriers or lack of capitals that may lead to or contribute to long term unemployment for benefit recipients. What barriers do prevent benefit recipients from a re-entry to the labour market? The model we used in chapter 2 makes it possible to calculate the chance for benefit recipients in their specific institutional flexicurity system, of becoming long term unemployed as a result of the lack of (a) specified form of capital(s). In all five European countries under investigation, each of which represents a different flexicurity system, i.e. Czech Republic, Denmark, France, the Netherlands and the UK, the explanatory power of the model with the capital forms included has shown to be considerably bigger than the model with solely so called life cycle factors. This proves that our approach of multiple barriers and forms of capital indeed is important for the explanation of the exclusion from the labour market of LTU benefit recipients. In all countries the labour market disadvantage turns out to be a consequence of a broader range of factors (forms of capitals) than those directly related to employment solely; factors which altogether constitute the concept of embedded employability.

As for the most important capital forms that contribute to increasing the chance for LTU in all five countries these turned out to be *health capital, equity capital and financial capital*. Lack of any of these forms of capital increases the chance to become LTU significantly. Surprisingly, *hard human*

*capital*, indicated by years of education, does not turn out to be as important as expected when other factors are taken into consideration. Our analysis has shown that behind this factor lacks of other forms of capital hide, a relevant conclusion for policymakers. Only in the Czech Republic and in the UK this factor really makes a significant difference.

#### **4.1.2 Qualitative analysis: opportunity structures as bridges to work**

To reinforce the employability of disadvantaged groups, in addition to the regular well-known re-employment instruments, conditions must be created for reemployment instruments to take effect. This means that arrangements must be made for debt-help, to make addictions at least manageable, to create anti-discrimination measures, in short arrangements to overcome or tackle multi-barriers. In order to be successful an integrated approach must also be incorporated in existing social-economic structures. Employability, embedded in functioning opportunity structures with reliable and expectable options, does help individuals to overcome myopic choices and provides bridges to work.

Such an integrated approach is not commonplace in the five countries surveyed. In most countries we see that in recent years a continuous process of reforms of labour market- and activation policies took place, before and during crises. Other common trends were the integration (merging) of social security policies and - organisations (benefit delivery and active policies, employment policies and social assistance, sometimes in combination with other social services), implementation of performance standards, in varying degree but visible in all countries.

Before the crisis the prevailing concern in policy discourse was the issue of individual barriers, with great emphasis on motivation to work but without taking other institutional aspects of embedded employability on board. Although in some countries like the Netherlands and the UK the notion of multiple barriers has explicitly been recognised. With the economic crisis most national policies pay more attention to the ‘mainstream’ unemployed than to the target groups with cumulated multiple barriers – which explains the inclination towards standardisation and unification of the (re-) employment policies.

Nevertheless, we found that small and bigger scale projects still exist, that do address people with multiple barriers and attempt to address a broader range of barriers.

- In the UK Tomorrow's People and EOS Works are examples of organisations who work within a regular - centralised and top-down – government program (“The Work program”) to help the furthest from the labour market into work. The goal is to make the individual client ‘work ready’. In both examples much emphasis is given to the need to address issues such as health, finances and care obligations before addressing hard human capital.
- In Denmark no explicit policy exists for persons with multiple barriers, directed at various forms of employability capital, but implicitly the approach is to be found in projects for the unemployed. P-p partnerships in business centers and municipalities in local employment projects attempt to help unemployed on their way to employment and in doing so en passant problems in other domains.
- In France there is no manifest policy aimed at resolving multiple barriers either. However, the new institution Pôle Emploi, together with the state and UNIDEC introduced profiling tools to come to a more personalized service offer (“beneficiaire d’une person alisation Accrue par la mobilization des prestations, des services et des Conseils les plus adaptes à sa situation”), but yet little is known about the outcomes .
- In the Netherlands the Ministry of Social Affairs has paid explicit attention to multiple barriers by commissioning reports and guides on service delivery to groups with multiple barriers, but has a hands off policy. In the decentralized Dutch structure, the policy and implementation of forms of embedded employability is the responsibility of and has to be realized by the local municipalities. A growing awareness amongst municipalities has led to more structural designs for an integrated approach built within regular service delivery, such as the one aimed at youth with multi-problems (Amsterdam social service Herstelling (Restoration) Project), which shows relatively stable results already for a number of years.
- In the Czech Republic the mainstream employment policy is also not well designed with respect to multiple barriers. With the introduction of the projects financed by European Social Fund occasionally projects are initiated aimed at clients with multi-barriers. An important project is the reintegration program aimed at the Roma (Mikrobus project).

Two conditions appear to be crucial for sufficient impact. First, implementation conditions like sufficient staffing and/or sufficient financing on a structural basis not only of reemployment services but also related social services which might help to overcome the specific barriers like housing, child care and anti-discrimination measures. Insufficient staffing and financing inhibits

individual treatment of the hard-to-place people in countries like in Czech Republic or France. Secondly, the focus of mainstream policies on more standardised solutions is strongly underpinned with a policy discourse, which emphasises individual barriers and the issue of motivation to work. Integral re-employment policy with an eye for the importance of governance of reemployment policies is lacking. This leads to an underestimation of the issue of multiple barriers, which is aggravated by the current retrenchment in public employment and social services.

As a result it is difficult to integrate small scale initiatives or projects addressing multiple barriers into mainstream policies. Even the managers of the specific (grassroots) projects addressing the target groups with multiple barriers often resign to addressing all relevant barriers since they see no chance how to and concentrate instead on specific individual barriers like soft human capital. The lack of structural policies makes the learning process laborious and even frustrating.

Moreover we note that activation programs have mainly been targeted to labour supply neglecting the match and the demand side, the employer. However even when made employable, a person with multiple barriers does not seem to stand much chance in direct competition with other job seekers. We warn for possible negative implications of not well designed activation strategies to promote efficiency for providers and frontline staff.

Currently there are major difficulties in brokerage services due to severe shortages of funds, preventing access to required services for persons with multiple barriers, while due to current reductions in benefit levels all over Europe more persons with multiple barriers are forced to enter the labour market, thereby strengthening competition for work.

## 4.2 Recommendations

The best form of welfare is work itself. In order to accomplish work for clients with multiple barriers a combination of employment and other social services is needed as compensation for their cumulative lack of capital forms. The analysis has shown that for successful policy and implementation, the policy discourse needs to be changed. Two elements appear to be of utmost importance:

- It is not sufficient to offer persons with multiple barriers only directly employment related measures such as hard human capital. The lack of various other forms of capital increases the risk of LTU. Lifting these restrictions are necessary conditions for the re-integration of these groups. Although several EU documents touch on the issue of multiple barriers, at the national level the policy discourses emphasise individual barriers. This should be changed. Addressing solely individual barriers within other domains means that the remaining problems will resurface. Research reports indicate that combining direct work-focused strategies with other treatments or services may be more promising than using either strategy alone, especially for people with disabilities and behavioural health problems. Re-employment policy and - implementation that works for people with multiple barriers requires an integrated approach. The integrated approach can f.e. be shaped in the form of personal mentorship.
- For substantive goals to become successful over time a structural policy, structural financing and implementation is integrated in mainstream policies. The current incidental policy gives insufficient solace by lack of accumulation of good and bad practices to learn from. In order to become successful at the work floor for persons with multiple barriers, the integrated approach asks for solid governance with structural finance and regular service delivery of re-employment services with mandates for frontline workers to act in other areas/capitals such as health and financial capital.

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ISSN online 2213-4980

ISSN print 1570-3185

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