

Report of the Labour Market Council:

*Proposal for a New Work Placement Programme
Drawing on the Lessons from Job Bridge*



Pathways
to
Work



Proposal for a New Work Placement Programme Drawing on the Lessons from Job Bridge

Report to the Minister of Social Protection by the Labour Market Council

Introduction

JobBridge (JB), the National Internship Scheme, was introduced in July 2011 in response to the unprecedented collapse in the economy which led to the more than tripling in the unemployment rate. The primary objective set for JB was to give unemployed people the opportunity to secure valuable work experience and prove their competence to prospective employers. The initial design of JB was influenced by previous experiences with work experience schemes.

To date, JB has attracted the *voluntary* participation of almost 48 000 interns and encouraged over 19 000 Host Organisations to offer them a wide range of work experience opportunities. In its early years JB attracted relatively large inflows of eligible interns reflecting the dearth of job opportunities available to the unemployed at that time. But as the labour market has recovered over the past three years, and job creation has picked up strongly, inflows to JB have declined significantly and there are currently 3,390 people on the scheme, i.e. just over 5% of all participants on active labour market programmes (ALMPs) in Ireland (CSO Live Register, August 2016 [latest data available]).

Since the beginning, JB has attracted much negative publicity. But up to now, there has been no rigorous evaluation of its impacts in terms of its stated objectives.

The Labour Market Council, since its creation, has consistently called for rigorous evaluations of the various ALMPs underlying the *Pathways to Work* initiatives and processes so as to inform public opinion and guide policy makers to direct public spending towards schemes that work and away from those that do not. Hence, the Council welcomed the Department of Social Protection's commission to Indecon

International Economic Consultants in association with London Economics to evaluate JB against its stated objectives. The impact evaluation of JB, together with large-scale surveys undertaken by Indecon with interns and host organisations, has just been published. The impact evaluation uses state-of-the-art methods to assess the employment outcomes for JB interns, and it was peer-reviewed by an outside expert, as well as the Council's Evaluation Sub-group. This is the first rigorous evaluation of JB and the Council welcomes its publication.

Evaluation Results

The impact evaluation shows clearly that JB has been successful for all cohorts of unemployed jobseekers, although the degree of success varies, as would be expected, in line with the intern's age, previous occupation, previous duration of unemployment and whether the internship was in the private, public or community/voluntary sector. On average, the findings suggest that participation in JB raised an interns' likelihood of being in work between one and two years after JB by around 12 percentage points compared with a control group of similar unemployed who did not participate in JB. An employment impact of this magnitude is relatively large compared to those reported in other evaluations of similar work experience schemes in other countries. In addition, it is a rare example of an Irish ALMP that actually works relatively well in terms of achieving its principal objective for the unemployed.

The Indecon evaluation also includes a rigorous cost-benefit analysis of JB which evaluates the costs and benefits to the individuals and society adjusted for levels of deadweight, job displacement and the opportunity costs of work and public funding. Two metrics are computed: (1) a narrow one of the impact of JB on the public purse (the so-called 'Exchequer cost'); and (ii) a wider measure of the costs and benefits to the individuals who participated in JB and society (the so-called 'economic benefits'). One key assumption underlying these calculations is the size of the 'job displacement effect', i.e. the degree to which the hiring of a JB intern displaced a hire of a regular employee, and the Indecon report acknowledges the large degree of uncertainty surrounding this effect. Nonetheless, the Indecon analysis shows that the Exchequer cost of JB is

negative if the additional employment secured by the intern lasts one year or less, but turns positive if the additional employment lasts between 1 and 2 years. On the other hand, JB always yields positive economic benefits to interns and society. Indeed, the Council notes that the positive economic benefits are likely underestimated by the Indecon report in that they include no allowance for the positive social benefits associated with having a job.

At the same time, the Indecon evaluation and opinion surveys, together with other studies, e.g. an evaluation of JB by Dr Mary Murphy (NUI Maynooth) which was commissioned by the IMPACT trade union, have drawn attention to some concerns about the current design and implementation of JB. The Indecon survey highlights that host organisations were satisfied with most aspects of JB. Most JB interns were satisfied with many aspects of the scheme, but a significant minority expressed dissatisfaction with the top-up payment to the benefit level. Other commentators have expressed concerns about the quality of the jobs found by interns after their JB experience and the fact that it may subsidise low-wage jobs and displace regular jobs. There is also the issue of displacement cost arising with any subsidised hiring scheme, i.e. employers are subsidised to hire interns whom they would have hired anyway in the absence of the subsidy. There is no doubt that these concerns have damaged the public perception of JB, notwithstanding its success in terms of boosting the employment prospects of interns.

The Next Steps

The Minister of Social Protection has taken the decision to close JB. That being the case, most members of the Council¹ are of the view that there is a continuing need for a work experience programme to enable the unemployed to get a foothold in the world of work. Such a scheme should build upon the successes of JB and incorporate the lessons from the evaluation and related studies, while seeking to minimize the negative concerns surrounding JB.

¹ One member of the council expressed the view that given the improvement in labour market conditions work should be fully remunerated by the employer.

Accordingly it is recommended that a new work experience programme should be based on the following principles:

- It should be voluntary for both participants and host organisations. There should be no compulsion on jobseekers to take up a work placement under the scheme and receipt of social welfare payments should not be contingent on participation in the scheme.
- The primary focus of the scheme should be to offer eligible jobseekers the opportunity to break the cycle of “no work, no experience; no experience, no work”.
- The scheme should place greater emphasis on skills development for interns, drawing upon employer best practices in this domain from JB.
- All interns should receive a payment equivalent to the net (i.e. after taking account of PSRI and other taxes) minimum wage.
- Host organisations should contribute to the cost of any additional payment to participants. At the same time, hosts who hire an intern before the end of the work experience should be eligible for a rebate.
- In order to minimize deadweight, displacement and the costs to the public purse, consideration should be given to limiting the maximum duration of work experience to six months.
- Host organisations must be fully compliant with all relevant public/employers/motor liability insurance and this insurance should cover the participant for the duration of the scheme.
- Host organisations must be fully compliant with all relevant health, safety and other legal requirement.
- Provision should be made for sufficient no-notice random inspection visits to host organisations by Department inspectors.

Labour Market Response to the JobBridge Evaluation Final Report by Indecon and London Economic Consultants

And

Recommendations for a New Work Placement Programme

<p align="center">Indecon Summary of Key Findings</p>	<p align="center">Labour Market Council Observations</p>
<p>Labour Market Context</p> <p>Major changes have occurred in the Irish labour market since JobBridge was introduced. The significant decline in unemployment which has occurred since the Programme was introduced is important in assessing the continued relevance of the Scheme in its current form.</p>	<p>The decline in the unemployment rate from 15.5% to 8.3% and the accompanying upturn in economic activity since JobBridge was introduced is the single most important factor in considering whether or not the JobBridge scheme should be continued, replaced by a different work experience scheme or completely discontinued.</p> <p>There is a divergence of views within the Labour Market Council on this question.</p> <p>On the one hand given continued growth in employment levels, given that firms are now better positioned to take-on paid staff, and given the availability of recruitment subsidies for target cohorts, such as long term unemployed people and people with disabilities, it is argued that there is no longer a need for a broadly based exchequer funded internship scheme. It is also argued that the availability of a 'free labour' state internship scheme distorts the operation of the labour market and undermines the recovery of wages and real employment levels during the economic recovery.</p> <p>On the other hand the majority of members believe that there will always be a cohort of jobseeker, even among those who are short term unemployed, who suffer disadvantage in breaking into the paid labour market, for example because they lack recent work experience or do not have the social/family networks necessary to 'open doors'. A work experience scheme programme can help overcome these disadvantages. Furthermore, youth unemployment is still relatively high at 19% (QNHS, Q2 2016), indicating a</p>

<p style="text-align: center;">Indecon Summary of Key Findings</p>	<p style="text-align: center;">Labour Market Council Observations</p>
	<p>continuing need for State funded work experience programmes. The distortive impact of such schemes on normal labour market operation is overstated (JobBridge represents c 0.15% of all employment in the State) and the benefit of helping disadvantaged jobseekers access employment outweighs any possible negative impacts on labour market operation.</p> <p>It is a matter of judgement with regard to the merits of these arguments as to whether the scheme should be continued 'as-is', discontinued, adapted to changed circumstances, or potentially suspended to be reconsidered if unemployment exceeds a threshold level in the future. The Labour Market Council's observations on the remainder of the Indecon findings and, in a following table, on the Indecon suggestions for change are offered to support the Minister in his consideration of the case for and against the continuation/ discontinuation/adaptation of JobBridge.</p>
<p>Counterfactual Impact Evaluation</p> <p>Compared with a matched control group of individuals on the Live Register our econometric analysis demonstrates that the Programme provides additionality in terms of the probability of being employed of 32%.</p> <p>The results suggest much more positive impacts in enhancing the probability of subsequently obtaining paid employment than has been evident for many other labour market activation programmes.</p>	<p>The Labour Market Council welcomes this finding. It shows that during a period of high unemployment, JobBridge has been a very effective labour market intervention with much more positive employment outcomes for Jobseekers than any other scheme evaluated over the past 15 years. For example the data shows that employment outcomes for people who participate in JobBridge when compared with a matched control group of people with similar characteristics are much more positive than those measured by the ESRI in respect of the Back To Education Allowance Scheme. Employment outcomes under the JobBridge scheme are among the highest recorded in any study in the OECD area.</p>
<p>Jobseekers and Hosts Experience and Perceptions of Scheme</p> <p>On the experience of interns post the Programme there were high levels of progression to employment with 64.2% of interns currently employed and 9.6% pursuing further education or training.</p>	<p>The Labour Market Council notes the very large scale of the survey conducted by Indecon and notes that, in contrast to common perception, participants generally rate their experience of the scheme positively. Out of 20 criteria assessed participants</p>

<p style="text-align: center;">Indecon</p> <p style="text-align: center;">Summary of Key Findings</p>	<p style="text-align: center;">Labour Market Council</p> <p style="text-align: center;">Observations</p>
<p>Our research with over 10,000 interns indicated that 70% of interns felt that the internship gave them new skills but this was not the experience of all interns and 18% did not perceive they have secured new skills.</p> <p>A high percentage of 70% of interns also felt the Programme had provided an opportunity to gain quality work experience.</p> <p>49% of interns felt JobBridge gave them the opportunity to secure formal training but 33% did not receive such training.</p> <p>The value of the top-up payment was the aspect with the highest dissatisfaction levels with 28% indicating they were very dissatisfied and a further 23.4% dissatisfied with this aspect of the scheme.</p> <p>The majority of interns (53.9%) overall were either satisfied or very satisfied with JobBridge. However, nearly a third of interns were dissatisfied or very dissatisfied. Not surprisingly there were higher levels of satisfaction (61%) among interns who were in employment.</p> <p>There was a high level of satisfaction with various aspects of the JobBridge Scheme among host organisations.</p> <p>89.5% of host organisations were very satisfied or satisfied with the work performance and engagement of the interns.</p>	<p>indicated that they were on the whole either satisfied or very satisfied with how the scheme operated under 18 criteria. The two aspects of the scheme where participants expressed higher overall levels of dissatisfaction than satisfaction are in relation to the value of the top-up payment and the level of the monitoring of the scheme by the Department of Social Protection.</p> <p>If the scheme is to be continued in its current, or in a changed form, these issues will need to be addressed.</p> <p>The Labour Market Council also notes that while the majority of participants rated the other 18 criteria positively there was a significant minority of people dissatisfied with some other aspects of the scheme. For example 26.4% of participants were dissatisfied with the level of on the job training/development opportunities, while 33% disagreed that they had an opportunity to secure formal training while on the scheme. Similarly 32.8% disagreed that JobBridge participation directly helped their progression into employment. These responses suggest that these are issues that would need to be addressed in any redesign of the scheme.</p>
<p>Cost-Benefit Analysis</p> <p>While the Programme was effective in enhancing the probability of securing employment, it is essential to evaluate the costs and benefits adjusted for the levels of deadweight, job displacement and opportunity costs of employment and public funding.</p> <p>The results of our analysis of the impact of the Programme on the Exchequer suggest that if the additional employment of interns only lasts one year or less, the costs to the Exchequer exceed the Exchequer savings in terms of lower social welfare payments and additional tax receipts. However, if the additional employment lasts</p>	<p>The Labour Market Council notes the finding that the scheme yielded a positive economic return for the State even allowing for high estimates of job displacement. (The Evaluation Sub-group noted that Indecon used the high perceived level of displacement recorded among JB participants, rather than the low employer-declared level of displacement, in order to ensure that the evaluation could not be challenged as using benign estimates for the displacement analysis.)</p>

<p style="text-align: center;">Indecon</p> <p style="text-align: center;">Summary of Key Findings</p>	<p style="text-align: center;">Labour Market Council</p> <p style="text-align: center;">Observations</p>
<p>2 years there is a net Exchequer benefit.</p> <p>Our overall economic cost-benefit analysis taking account of increased employment and incomes, indicates a positive economic cost benefit ratio.</p>	<p>The Council also notes that the exchequer impact although positive is marginal and is only positive on an assumed two year post JobBridge duration of employment. The Council notes that this marginal impact would be improved if mid-point estimates of displacement rather than high-end estimates were used.</p>

<p style="text-align: center;">Indecon</p> <p style="text-align: center;">Suggestion for Change</p>	<p style="text-align: center;">Labour Market Council</p> <p style="text-align: center;">Observations</p>
<p>1: JobBridge should be discontinued and replaced with a new Activation Measure taking account of the current features of the Irish Labour Market and targeted on a narrow group of potential employers.</p>	<p>Members of the Labour Market Council have divergent views on this question.</p> <p>On the one hand the majority of members are convinced by the econometric counterfactual impact evaluation that shows a very positive impact for JobBridge, strongly indicating that the scheme should be continued subject to some modifications to address areas of jobseeker dissatisfaction.</p> <p>On the other hand, it is recognised that the continued improvement in labour market conditions may give rise to higher levels of displacement than that observed during the past five years reducing the observed positive impact. In such circumstances employers may, due to improved economic circumstances, be able to better afford taking on paid employees rather than unpaid interns.</p> <p>Most members of the Employers Sub-group are of the view that it is preferable not to discriminate in favour of any particular cohort by reference to age or qualifications and recommend the retention of the current qualification period of 3 months.</p>
<p>2: The new Programme should represent a training scheme where interns have the opportunity for training <u>and</u> potential employment. There may be merit in branding the Programme something like 'TraineeLink' to reinforce the importance of the incorporation of training/skill development.</p>	<p>The Labour Market Council notes that there is merit, if the scheme is to be continued or replaced by another work experience programme, that greater emphasis should be placed on skills development. The Council emphasises that there are other training supports available to jobseekers and that the focus of any modified or new scheme should continue to be on quality 'on the job' work experience. In this context, the Council suggests that emphasis be placed on encouraging employers to adopt 'best practices', particularly in relation to employability skills.</p> <p>In particular the Council considers that the scheme should provide for a greater emphasis on structured learning and development within the host organisation, including structured assessment, evaluation and written documentation of the soft/transversal skills</p>

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	<p>acquired and/or demonstrated over the course of the work experience, particularly for those that do not progress directly into employment with the Host Organisation.</p> <p>The Employers Sub-group acknowledges the criticism of the nature of some of the more low-skilled opportunities available under the scheme, but, on balance recommends the retention of the diverse range of work experience opportunities in any new scheme. However, the new scheme must emphasise the experiential nature of the opportunity, and all placements should clearly articulate the opportunity provided to learn/apply 'employability/soft' skills.</p>
<p>3: Consideration should be given to removing the cap in top-up payments as this in effect represents a maximum wage.</p>	<p>The Labour Market Council agrees that a higher payment should be made to interns, in particular those under 25 who currently receive a maximum of just €152.50 per week. The total payment received by a participant should equate to the net minimum wage. However there is need for a cap to ensure that internship payments do not exceed standard wage rates and thus give rise to job displacement.</p> <p>The Employers Sub-group further suggest that the payment could comprise of:</p> <ul style="list-style-type: none"> • 'Maxing-up' the payment to young people on the programmes to the full adult rate of Jobseeker's Allowance/Benefit. • Increasing the value of the top-up payments to all participants by €20 to c €70 per week. • Set maximum working hours of 30 hours per week. • Persons on a reduced a reduced rate of payment (e.g. where means have been assessed) should be topped up to the maximum payment. <p>These steps will result in a payment of €258 per week. This is approximately the same amount as the net pay that would be received by an employee working 30 hours per week on the minimum wage.</p>

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<p>4: Employers who participate in the new Programme should be required to fund part of the Programme to reduce the cost to the Exchequer and to minimise displacement impacts.</p>	<p>The Labour Market Council agrees that employers should be asked to make a contribution to the costs of any new or revised work placement or work experience programme. Furthermore members suggest that a pro-rata rebate of that contribution should be made where participants progress into employment before the completion of the programme. In addition participants should be required to do no more than 30 hours work per week, to allow participants to engage in job search activities.</p> <p>The quantum of the fee should be c. €520 in respect of each placement. Applications for a refund should be considered where an internship lasts for less than 3 months through no fault of the Host Organisation.</p>
<p>5: There is merit in a significant reduction in the number of interns taken on by public sector organisations unless these organisations have the potential to offer future jobs to interns.</p>	<p>The Labour Market Council recognises that public sector use of state funded work experience programmes has given rise to concerns. However members noted the evidence that employment progression was positive across all sectors including the public sector and that the removal of the recruitment embargo in the public sector should enhance this progression effect.</p> <p>On the other hand, some members noted that this enhanced effect may be moderated by the nature of public sector recruitment processes.</p>
<p>6: The period of trainee work experience which would be supported by public expenditure should be restricted to a maximum of 3 months.</p>	<p>The Labour Market Council agrees that JobBridge or a new work experience programme should be reduced in duration from the current maximum of nine months. However it is felt that a period of three months may be insufficient to allow a participant develop sufficient capital in the workplace to enhance their prospects of being retained as a full time employee. Accordingly the Council would recommend a duration of six months.</p>
<p>7: After a 3-month period, host companies/organisation interested in extending the internship should be required to pay the interns at least the Minimum Wage.</p>	<p>The Labour Market Council considers that this suggestion equates to moving from an internship/work experience status to full-time employment. Employers should pay the market rate for the position</p>

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	<p>if they retain a work experience participant/intern at the end of the work experience/internship period.</p>
<p>8: Additional restrictions on eligibility for host companies/organisation should be introduced to minimise the potential for displacement. Increased monitoring is also required. In addition, existing administrative supports which are available to JobBridge interns/host organisations and which have proved to be beneficial should be incorporated into the new Programme.</p>	<p>The Labour Market Council notes that this is in effect two separate suggestions. The first, relating to reducing the displacement effect, is linked to suggestions for change at 4 and 6 above. The Council's observations in respect of those suggestions apply in this case also. The second relates to increased monitoring. The Council also agrees that increased monitoring/contact with participants by the Department should feature in any new scheme.</p> <p>It is recommended that the maximum number of interns that can be taken on by any employer at any time should not exceed 10% of the full time headcount in the host organisation.</p> <p>The Employers Sub-group recommends that the participant be visited three times by their Case Officer over the course of the programme (at the beginning to go over the terms of the scheme; in the middle to assess how the scheme is progressing and to encourage the participant to start planning their next steps; and towards the end of the placement to create an exit strategy and finalise a next steps plan).</p> <p>The Employers Sub-group recommend that the number of active places on the scheme should be limited to c. 1.5% of the eligible cohort subject to a maximum of 3,000 places, which is equivalent to c 0.1% of all jobs.</p> <p>The Sub-group further recommends that a Starter Pack containing the Guidelines should be issued to Host Organisations at the beginning of each placement.</p> <p>The Sub-group also recommends that Departmental Guidelines clearly articulate the grounds for suspension and disqualification from participation for Host Organisations (giving examples of the sanctions applicable to particular offences/breaches of conditionality). Host Organisations should be advised that details of organisations disqualified from participation in the scheme will be</p>

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	made available on request.
<p>9: All host organisations should specify in recruitment advertisements the nature of training to be provided to interns.</p>	<p>The Labour Market Council agrees with this recommendation, noting its suggestions at 2 above.</p>
<p>10: Organisation who recruit interns who are long term unemployed (>1 year) should be eligible for pro-rata payments of the JobsPlus scheme.</p>	<p>The Labour Market Council notes that organisations are already eligible for JobsPlus if they recruit an intern at the conclusion of a JobBridge placement and agrees that this eligibility should continue if the scheme is continued or replaced by a new scheme.</p>

Appendix 1: Report of the Labour Market Council Employer's Sub-group review of JobBridge

A commitment was given in *Pathways to Work* 2015 to develop and implement a robust evaluation programme to assess the impact of *Pathways to Work* initiatives and identify potential areas for future attention. This process began in November 2015 with the evaluation of the JobBridge National Internship Scheme by Indecon International Economic Consultants in association with London Economics. The evaluation utilised econometric techniques to estimate the employment impacts of the scheme for participants; as well as survey response data from over 10,000 interns (a response rate of 33%) and over 4,500 host organisations (a response rate of 24%). Findings from cost-benefit analyses will be part of the final evaluation report.

The Preliminary Results of the Indecon Evaluation indicate that JobBridge has been a successful intervention for all cohorts, although the degree varies according to the intern's age, level of education, previous duration of unemployment and whether the internship was in the private, public or community/voluntary sector.

While it is acknowledged to be one of the most successful active labour market interventions available, it is considered appropriate to revise the scheme in light of experience and to better respond to the needs of the steadily improving labour market; to criticisms of the scheme; to the suggestions of various interest groups and stakeholders; and in light of the findings of the independent evaluation. Some key elements of the existing scheme which should be retained include:

- The scheme should remain voluntary for both the company and the participant.
- The scheme should retain the original aim of breaking the cycle of 'no work no experience. No experience, no work'.
- The scheme should allow participants to retain their benefits whilst undertaking their period of work experience.
- The scheme should aim to enhance existing and build new skills through workplace learning.
- The scheme should continue measures to mitigate the risk of deadweight and displacement.

- The company must be fully compliant with all relevant public/employers/motor liability insurance and cover the participant for the duration of the scheme.
- The company must be fully compliant with all relevant health and safety and all other legal requirements.

Employer Engagement Sub-Group Recommendation	Rationale
<p>Most members of the Sub-group are of the view that it is preferable not to discriminate in favour of any particular cohort by reference to age or qualifications and recommend the retention of the current qualification period of 3 months.</p>	<p>While some consider diversity to be core strength of the scheme, others suggest that the scheme should be targeted to reflect the needs of specific client cohorts.</p> <p>The Preliminary Results of the Indecon Evaluation indicate that JobBridge has been a successful intervention for all cohorts, although the degree varies according to the intern’s level of education and previous duration of unemployment.</p> <p>The rationale for the recommendation is that:</p> <ul style="list-style-type: none"> • The current JobBridge scheme is the only employment programme that is currently available to people less than twelve months unemployed. • Research indicates that early intervention is critical to supporting a person at risk of long-term unemployment. • Waiting for an early school leaver or young unemployed person to become 12 months unemployed before offering them access to a work experience programme will diminish their chances of securing employment. • Similarly, in a recovering labour market, the failure of a graduate to secure employment in a six month period indicates that they need support to gain access to employment. • Specifying additional criteria to segment the participant base will introduce significant administrative complexity, complicate the promotion of any scheme(s) and most likely require legislative change to enable ‘discrimination’ in favour of particular target cohorts. • Attempts to target the scheme at specific cohorts e.g. youth, long-term unemployed, graduates (with potentially different eligibility requirements for different cohorts) could potentially introduce levels of complexity that might not be easily communicable to/readily understood by employers and candidates. <p>A minority of the Sub-group favour targeting the scheme at young unemployed people (because, notwithstanding the</p>

Employer Engagement Sub-Group Recommendation	Rationale
	reduction in unemployment generally, youth unemployment is still disproportionately higher), on those most at risk of long-term unemployment (LTUs or Low PEX) and those in jobless households.
<p>The Sub-group acknowledges the criticism of the nature of some of the more low-skilled opportunities available under the scheme, but, on balance recommends the retention of the diverse range of work experience opportunities in any new scheme. However, the new scheme must emphasise the experiential nature of the opportunity, and all placements should clearly articulate the opportunity provided to learn/apply 'employability/soft' skills.</p>	<p>The rationale for this recommendation includes:</p> <ul style="list-style-type: none"> • The purpose of a work experience programme is to offer participants the opportunity to get on-the-job experience in a real life work environment and to demonstrate their ability to operate in such an environment both to the host employer and other prospective employers. Employers increasingly emphasise the importance of jobseekers being able to demonstrate 'soft' and transversal skills (e.g. reliability, flexibility, teamwork, communication skills, customer focus etc.). These 'skills'/competencies can be best developed through work experience –irrespective of the nature of the work. • Jobseekers differ in their backgrounds, skills and experience. • An opportunity to get a foothold in what some observers perceive a 'menial' job can be very valuable to a jobseeker with no or low qualifications and no prior work experience. • Similarly some jobseekers with high level qualifications/experience lack the social skills or networks necessary to break into the labour market and value the opportunity, through a work experience programme, to demonstrate proficiency in their chosen or a related field of expertise. • In addition setting criteria on which to exclude or include occupations would be fraught with difficulty. <p>Applications should, however, be vetted and validated by the Department (National Contact Centre) and reviewed during the initial visit by a case officer of the Department early in the internship to ensure compliance with the scheme guidelines and attestation of the value of the work experience to the participant.</p>
<p>The Sub-group strongly recommends that the scheme should provide for a greater emphasis on structured learning and development,</p>	<p>The rationale for this recommendation includes:</p> <ul style="list-style-type: none"> • Mandating the development of a structured Learning and Skills Development Plan for each participant as part of the Standard Agreement to include designation of a named mentor within the host organisation. This Plan

<p style="text-align: center;">Employer Engagement Sub-Group Recommendation</p>	<p style="text-align: center;">Rationale</p>
<p>including that the scheme could benefit from the introduction of more structured/formal assessment, evaluation and certification of the soft/transversal skills acquired/demonstrated- particularly for those that do not progress directly into employment with the Host Organisation.</p> <p>The Sub-group recommends that the participant be visited three times by their Case Officer over the course of the programme (at the beginning to go over the terms of the scheme; in the middle to assess how the scheme is progressing and to encourage the participant to start planning their next steps; and towards the end of the placement to create an exit strategy and finalise a next steps plan).</p>	<p>should outline the specific and ‘employability/soft’ skills to learned/applied.</p> <ul style="list-style-type: none"> • At the induction meeting, the Host Organisation must explain to the participant the way in which performance/demonstration of the skills will be assessed and evaluated. • Require this Learning and Skills Development Plan (along with the Standard Agreement) to be reviewed by a DSP case officer during an initial site visit and discussion with both parties early in the placement. Any reasonable changes requested by the case officer should be incorporated into the Plan. • The experience of the participant and progress on the implementation of the Learning and Skills Development Plan to be monitored during a mid-placement review by a DSP case officer. • Towards the end of the placement the Host Organisation should have an ‘exit meeting’ with the participant to discuss, <i>inter alia</i>, how well the placement met the objectives, the opportunities for progression within the Host Organisation/support that can be provided to pursue opportunities elsewhere. • This should be followed by a final meeting with the DSP case officer to review the placement and discuss next steps with both parties. The attestation of the completion of the Learning and Skills Development Plan in the form of a certificate co-signed by the host organisation and DSP will help to focus employer attention on this element of the work experience assignment and provide formal recognition of progress to the jobseeker. <p>The rationale for such a template includes:</p> <ul style="list-style-type: none"> • There have been calls for greater emphasis on training/skills acquisition and accreditation as part of any internship scheme, as well as the acquisition of work experience, or rather than, work experience or soft/transversal skills. This is necessary, it is argued, in order to ensure that JobBridge interns acquire recognised skills of value in the market place rather than being used to fulfil menial roles with little or no developmental element. But the Council recognises that the primary purpose of JobBridge is the provision of work experience opportunities - this is the aspect that is most highly valued by Host Organisations and participants (per Indecon

Employer Engagement Sub-Group Recommendation	Rationale
	<p>Preliminary Findings). Concern was expressed not to overly alter the fundamental nature of a scheme, which is, per the Preliminary Findings of the evaluation, a successful and beneficial ALMP.</p> <ul style="list-style-type: none"> • The Council recognises that there is a range of other measures which focus on the acquisition of accredited training within a workplace setting, such as apprenticeships and traineeships, and there is value in retaining a scheme that is differentiated from these, and whose primary focus remains the provision of work experience. • The acknowledgement that the scheme could benefit from the introduction of more structured/formal assessment, evaluation and certification of the soft/transversal skills acquired/demonstrated- particularly for those that do not progress directly into employment with the Host Organisation. • Over 26% of Indecon Survey respondents were dissatisfied or very dissatisfied with the level of on-the-job training and development opportunities provided.
<p>The Sub-group recommends that all participants should receive a payment equivalent to the minimum working wage.</p>	<p>The rationale for this recommendation includes: The payment could comprise of:</p> <ul style="list-style-type: none"> • ‘Maxing-up’ the payment to young people on the programmes to the full adult rate. • Increasing the value of the top-up payments to all participants by €20 to c €70 per week. • Set maximum working hours of 30 hours per week. • Persons on a reduced a reduced rate of payment (e.g. where means have been assessed) should be topped up to the maximum payment. <p>These steps will result in a payment of €258 per week. This is approximately the same amount as the net pay that would be received by an employee working 30 hours per week on the minimum wage.</p> <p>The rationale for this includes:</p> <ul style="list-style-type: none"> • The highest level of dissatisfaction with the scheme expressed by JobBridge interns who responded to the Indecon Survey related to the payment (Over 51% dissatisfied or very dissatisfied). • The scheme is commonly characterised as a ‘work for

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	<p>nothing/below minimum wage experience. At present a single person on the standard basic jobseeker rate receives €240.50 per week (€188 + €52.50 top-up) while on JobBridge. A person of 25 years or younger on the €100 per week standard rate receives €152.50. The minimum wage (after USC and PRSI) for a 30 hour week equates to about €259 while the minimum wage for a 40 hour week (the maximum permitted under JobBridge) equates to about €347.</p> <ul style="list-style-type: none"> • Although there is a gap there is also a risk that moving the JobBridge rate closer to the minimum wage, particularly at the 30 hour per week level for a jobseeker over 25 years of age could incentivise abuse of the scheme and real job displacement. Care needs to be taken to avoid the risk of providing a perverse incentive.
<p>The Sub-group strongly recommends that Host Organisations should make a financial contribution to the placement in the form of an up-front registration fee.</p> <p>The quantum of the fee should be c. €520 in respect of each placement.</p> <p>Applications for a refund should be considered where an internship lasts for less than 3 months through no fault of the Host Organisation.</p>	<p>The rationale for this recommendation includes: Based on discussions and on the advice of the DSP, direct financial contributions to the participant would fundamentally change the nature of the relationship/contract to that of employer: employee).</p> <p>The quantum of the fee should be c. €520 in respect of each placement.</p> <p>Applications for a refund could be made if the internship lasted for less than three months through no fault of the Host Organisation.</p> <p>The rationale for payment of a financial contribution includes:</p> <ul style="list-style-type: none"> • Criticism that employers are taking advantage of a free job scheme to displace paid jobs. • The results of the Indecon survey of Host Organisations highlight the value of the scheme to employers as a low-cost screening device for potential employees and as a contribution to productivity, so it is reasonable to expect them to make a financial contribution. • Some host organisations have complained about the absolute prohibition on employers supplementing the internship allowance with any additional payment (except to cover expenses actually and necessarily incurred) as they would like to make a contribution. • Making a financial contribution demonstrates a degree of commitment by the Host Organisation. • The quantum of the financial contribution should not be such as to deter/restrict engagement by SMEs/micro business who may not be in a position to make a very significant contribution up-front.

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<p>The Sub-group recommends that both the Public sector and Larger employers be allowed to make use of the new scheme.</p> <p>There was a consensus that the maximum number of interns that can be taken on by any employer at any time should be 10% of the full time headcount in the host organisation, but no upper limit should be applied.</p>	<p>The rationale for this recommendation includes:</p> <ul style="list-style-type: none"> • Although the vast majority of Host Organisations are SMEs, some criticism has focused on use of the scheme by large public sector organisations and by large private companies that are perceived to be highly profitable. These firms/public sector organisations, it is argued, should not be allowed to use the scheme instead of offering real paid jobs. The use of interns in the public sector in the context of an ongoing recruitment embargo has drawn particular criticism. • Recruitment practices in the civil and non-commercial public sector are such that interns/work experience participants cannot have preferential access to any opportunities that might arise. This limits the direct progression to employment potential of internships in such organisations. In addition the payment model simply creates a circular flow of exchequer monies around the civil/public sector system. • The Preliminary Findings of the Indecon Evaluation indicate progression rates into employment of 68.2% from private sector internships, 59.8% from public sector internships and 55.7 % internships in the community and voluntary sector. Their draft recommendations include consideration of reducing the number of internships in public sector organisations unless they have the potential to offer jobs. Notwithstanding that the level of progression from public sector organisations is slightly lower than from the private sector, it is, the Indecon findings nonetheless indicate that that they have provided valuable work experience opportunities for participants. One member highlighted what was considered to be the justifiable criticism that public service participation in the scheme was circumventing an embargo. • There is no objective basis on which to exclude employers from participation in any work experience simply by reference to their size. (Defining size for this purpose would also be problematic). In addition large employers offer valuable work experience opportunities that are attractive to jobseekers. • The existing limits on internship places of up to 200 at any one time are to a large degree meaningless. • While setting an absolute upper limit on internships/placements in organisations has merit in reducing the potential for any large scale abuse of the

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	<p>scheme as a method for job-displacement, the majority view was that this would unnecessarily restrict the number of valuable opportunities that could be provided and might act as a disincentive to large organisations (i.e. large organisations are more likely to get involved and assign dedicated resources to the management of an internship programme if it represented a sizeable percentage of the workforce).</p>
<p>The Sub-group recommend that the number of active places on the scheme should be limited to c. 1.5% of the eligible cohort subject to a maximum of 3,000 places. This is equivalent to c 0.1% of all jobs, meaning that even if there was 100% displacement of real jobs by work experience placements, total displacement would be very low and any market distortion would be negligible.</p> <p>The Sub-group recommends that the current flexibility regarding duration of internships should be retained at six to nine months.</p>	<p>The rationale for this is:</p> <ul style="list-style-type: none"> • The primary purpose of a work experience programme is to bias employment opportunities in favour of particular cohorts and by so doing reduce the average duration of unemployment at an individual level and reduce entrenched long term unemployment. Accordingly, and provided the total number of work experience placements is not such as to distort the operation of the labour market, displacement of opportunities between candidates is not necessarily an issue (and in fact is arguably the objective). • Setting a cap places an upper limit on any level of potential displacement and also reduces the risk that employers would misuse the scheme or that the availability of work experience placements would distort the operation of the labour market. • While it could be argued that a reduction of the maximum duration of a work experience placement would reduce the scope for employers to misuse the scheme to displace paid jobs, it is felt that this is necessary in order to promote buy-in from employers and enough time for participants to gain sufficient experience

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<p>The Sub-group recommends that Departmental Guidelines clearly articulate the grounds for suspension and disqualification from participation (giving examples of the sanctions applicable to particular offences/breaches of conditionality). Host Organisations should be advised that details of organisations disqualified from participation in the scheme will be made available on request.</p> <p>It was further agreed that a Starter Pack containing the Guidelines should be issued to Host Organisations at the beginning of each placement.</p>	<ul style="list-style-type: none"> As the scheme is voluntary, the Department has not in the past published names of the host organisations that were found, on inspection, to have breached the terms of the scheme (most breaches are relatively minor in nature). It was felt that 'naming and shaming' would be a disproportionate response to breaches of an administrative (as opposed to legislative) scheme where the employer had no recourse to an appeal process and was not in receipt of State funds. In addition, the Department had not afforded the Host Organisations fair procedures. The Department revised its guidelines and any decision by the Department to bar or suspend an employer is in fact discoverable under FOI.

