

## **Individual Action Planning: From IAPs to successful integration**

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# Monitoring and follow-up of IAPs

## Evidence from evaluation research

- Convergence of IAP practices in EU countries?
- How can PES effectively strike the balance between „support“ and „control“ functions?
- Appropriate role of sanctions?

## Individual action planning as a dynamic process

- **Signing an IAP**
  - to enhance a personalized approach
  - tool for caseworkers to manage the integration process
  - “contract” to make the mutual obligations approach (right and responsibilities) more binding
  - to increase the “productivity” of job search
  
- **Functions**
  - **supporting** : to guide and support jobseekers in their pathway to integration
  - **monitoring** : to report on progress and search effort ; adaptation of IAPs if necessary
  - **controlling** : to check jobseekers’ compliance with the rules and regulations relating to job search and activation measures and apply sanctions where necessary
  
- **Related to different PES processes and practices (“multiple treatments”)**
  - profiling and assessment procedures (client segmentation)
  - intensity of counselling and monitoring
  - referral to different types of ALMP
  - sanctions practices

## Practices around IAPs still vary across countries

- **IAPs common instrument in most EU countries**
- **Processes around IAPs are getting more and more aligned, but still considerable variation in terms of:**
  - status of contract (legally binding or not)
  - coverage rate (all clients or targeted at certain groups)
  - degree of client segmentation (number of profiles)
  - sequencing and intensity of regular interviews
  - timescale for adaptation of IAPs
  - method of IAP developing (e.g. job ready jobseekers develop their own IAP online)
  - and monitoring job search activities (e-services, face-to face)
  - activation rules vs. discretion of case-workers in referring clients to specific activation measures
  - sanctioning practices (similar rules, but severity and strictness of enforcement vary)

## Timing of interviews, monitoring and sanctioning practices (in 2009)

	<b>Austria</b> insurance	<b>Denmark</b> insurance and welfare	<b>Germany</b> welfare insurance		<b>UK</b> JSA	<b>Switzerland</b> insurance
<b>Timing IAP = 1<sup>st</sup>intensive interview</b>	~ 4 weeks after reg.	IAP ~ with start of the age-dependent activation period <b>Ø 11 weeks</b>	Ø 15,4 days after reg.	Ø <b>5,5 days</b> after reg.	6 weeks after start of benefit claim.	Ø 12,6 days
<b>Monitoring of job search activities</b>	at every jobseeker interview	weekly <b>online</b>	at every jobseeker interview		fortnightly <b>face-to-face</b>	at every jobseeker interview
<b>Frequency of intensive Interviews</b>  usually used to review/adapt IAPs	Ø every 37 days	Target: <b>every 3 months</b>	<b>Due to client profile</b> job ready and complex profiles: Ø every 3- 4 months;  activation clients every Ø every 1-2 months		<b>after 13, 26, 52 weeks</b>	Target: monthly
<b>Sanction rate*</b>	<b>2.1</b>	<b>12</b> (2005)	<b>3.6</b>	<b>2.2</b>	<b>3.9</b> fixed + <b>6.4</b> variable length	<b>5.7</b>
<b>Length of benefit suspension</b>	<b>6 to 8 w</b>	<b>2 d to 26 w</b> <b>3 w to 20 w</b> <b>33% to 67%</b>	<b>1 to 12w</b>	<b>60 – 100% (U25)</b> <b>max. 12 w</b>	<b>1 to 26 w</b> fixed or variable length	<b>1 to 60 days</b>

\* in % of unemployed claimants (stock, yearly average) , excluding sanctions for voluntary quits and job-to-job requirements

## Research evidence

- **Qualitative research in the design of IAPs**
  - IAPs often standardized; low level of individualization
  - Should IAPs be concluded for all jobseekers/benefit claimants?
  - Is developing IAPs by clients a better way to improve their quality?
  
- **Does the existence of an IAP improve re-employment chances of jobseekers?**
  - Hardly any studies on causal effects of IAP on re-integration
  - IAP seems to promote search activities of clients (Schneider 2010)
  - Separation of other interventions (“multiple treatments”) difficult
  - Timing (early intervention for all or only special clients) important?

## How to strike a balance between „support“ and „control“ functions?

- **Dual role of IAPs:** tension of enabling and demanding (policing) is often left to caseworkers
- **Caseworkers can experience real difficulties in managing the two hats**
  - but surveys also show that many caseworkers see IAPs as a useful tool to enforce client's obligations (Schütz et al 2011)
- **Caseworkers' attitudes, characteristics and working strategies have a significant impact on job-finding probabilities**
  - successful caseworkers are “tough” (Behncke et al 2010) and impose more sanctions on clients with low search efforts (Hainmüller et al. 2011)
  - assign their clients to more effective ALMP programmes (Lagerström 2011)
- **Important to balance enabling and demanding elements when designing an IAP**
  - action plan proposed by client as a solution?
  - “tough love” - a guiding working strategy?

## Research evidence on the importance of contacts between clients and caseworkers

- **Results of randomized experiments on counselling and monitoring**
  - more time allocated to counselling at meetings have positive, but insignificant effects on the exit rate from unemployment (Gorter & Kalb 1996)
  - increased counselling increases the exit rate from unemployment, esp. for eligible newly unemployed (Crepón 2009)
  - intensive counselling to long-term welfare recipients /youth did not lead to more employment (Rosholm & Svarer 2009, Hägglund 2009)
  - closer monitoring of job search activities increases the exit rate from unemployment (Klepinger et al. 2002, Mc Vicar 2008, van den Berg & van der Klauuw 2006)
  - frequent face-to-face interventions (UK: FJR) are cost-effective compared to other forms of monitoring (email, phone)
  - fortnightly interviews with newly unemployed can increase employment rates over the subsequent two years;
  - significant part of impact on job stability is attributed to the counselling element and not to the “threat effects” of monitoring (Rosholm et al. 2012)
  
- **However, no empirical evidence on type and quality of counselling**

## Appropriate role of sanctions

### ▪ Sanctioning reasons

- crucial role in enforcing PES interventions; threat of sanctions drives behaviour of jobseekers relying on benefits
- but sanction rates are rather low
- failure to attend job interviews most important reason for sanctioning in many countries
- less important: refusal of a reasonable job offer/to comply with IAP obligations

### ▪ International research evidence:

- both warnings that sanctions may be imposed, as well as the actual imposition of a sanction increase the subsequent job-finding rate dramatically (deterrence-effect)
- but recent findings show that sanctioned clients find less favourable employment in terms of wages and job duration (Arni et al. 2009, van den Berg & Vikström 2009)

### ▪ PES experience

- sanctions should be clear, fair, immediate and graduated
- need for caseworker discretion in individual cases
- a way to relieve tensions is to delegate the final decision on sanctions to specialised staff within or outside the local PES
  - evidence CH: delegation has a positive impact on re-integration (Frölich et al. 2007)
  - pros and cons of the delegation process (e.g. loss of caseworker's credibility)

## Lessons for PES' work on IAPs

- **What works depends very much on profile of clients**
  - counselling more favourable for job ready clients;
  - positive impact on job finding as well as job stability
  - monitoring and sanctions have a positive impact on employment for clients with low search efforts
  
- **Interview intensity and frequency do not need to be identical for all types of jobseekers**
  - too rigid requirements (i.e. number of pro forma job applications) should be avoided
  - follow up services after placement should be given more importance
  
- **Potential for improvement of IAPs**
  - co-production of the action plan by clients
  - counselling skills of individual caseworkers
  - development of indicators on the quality of IAPs
  - different timing and targeting in the use of IAPs
  - but: evidence on impact of different action planning approaches still missing