

Developing well-targeted tools for the active inclusion of vulnerable people

Discussion Paper

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1. Introduction: the Norwegian social policy and institutional context

Norway is a country which has a strong economy with one of the highest gross domestic products per capita in the world. The country had - until recently - high and stable employment rates and relatively low unemployment statistics. However, construction, manufacturing and the media sectors have been hit hard by the recession (Eurofound, 2009).

Like other Nordic countries Norway traditionally has high expenditures on active labour market policies (ALMPs). Already since 1991 vocational rehabilitation and measures for integration into employment are core elements of governmental social policy. The ageing of the population was a major reason to introduce these policies, as well as the need to ensure financial sustainability of the social protection, pension and health care system. The same underlying rationale led, in the 21st century, to an active immigration policy.

In the Norwegian welfare system about 2 400 000 persons are in the workforce, but also 700 000 persons are outside the work force and dependent on benefits and allowances. Among the non workers the two major categories comprise: disability pensioners (298 000) and sickness benefit recipients (120 000). Further about 60 000 persons are on social welfare assistance (Ofstedal, 2009), which is the major target group of the new Qualification Programme.

As is the case in other European countries (United Kingdom, Denmark, Netherlands) also in Norway the administration of employment and welfare services is subject to reorganisation. In 2006 a law on a new labour and welfare administration has been accepted to create a new Norwegian Labour and Welfare Organisation (NAV). Since then the "NAV reform" is ongoing, which comprises the merger of the national social insurance service and the public employment services, as well as integration with the municipal social welfare administration. The new administrative body aims to provide a better coordination of benefits, more effective and work-oriented case work and more user- oriented services and participation. One of the core elements is a NAV office in every municipality, a "one stop shop" for all types of clients who need services (employment, income replacement, rehabilitation, training, etc.) The implementation of this new structure, both regarding central agencies and the regional and local offices, takes place until 2010.

Norway has a sound tradition of using monitoring and evaluation research to assess the implementation and impact of changes in employment or social inclusion policies. So for the implementation of the NAV structure and the Qualification Programme a consistent programme of

evaluative studies has been decided (Evaluation, 2007). These conditions provide an optimal basis for being informed about implementation, impact, lessons learned (so far) and transferability aspects.

This discussion paper firstly gives a summary of the Qualification Programme and the initial observations, questions and lessons reported regarding implementation and outcomes (Schafft, 2009). Subsequently, we will discuss the approach in the light of the European policy on social inclusion of vulnerable groups. Further, some aspects of implementation and outcomes will be discussed, including experiences and insights from other countries. Finally, a list of key questions will be presented for the meeting in October. This list further may provide suggestions to experts from other Member States, when evaluating similar programmes or policies in their country.

2. The Qualification Programme and its preparatory steps

Parallel to these organisational changes also various policy measures have been introduced in recent years in Norway, aiming to improve the social inclusion of persons at the margin of the labour market (Steen & Halvorsen, 2007). A "White Paper" on labour market inclusion (2007) comprised various elements for change, like a better coordination of work oriented measures for persons with a distance to the labour market (e.g. persons with disabilities, refugees), a reform of the income benefits schemes, and the new Qualification Programme, which is subject to the current Peer Review.

The Qualification Programme started November 2007 in some of the new NAV offices, and was preceded by a period of various pilot projects (host country report, p. 9-10). The first pilot project ("Activation pilot") lasted 4 years and included 16 municipalities. The conclusions reported in host country report are very careful and modest: increased local cooperation may lead to temporary periods of non dependency on social assistance payments. The next two pilot studies provided more lessons on implementation issues: cooperation (of employment office and social security agency) leads to better provision of services to clients, placement in ordinary work sites gives better results, and the monitoring and follow up of clients should be close, intensive and individual. All four pilots learned more about service provision and monitoring/guidance of clients than the impact on placement into employment (compared to mainstream clients) or benefit dependency.

The Qualification Programme aims to reduce long term dependency of social assistance by helping clients into employment and improve their quality of life. The programme focuses on clients with a large distance to the labour market, who have substantial and complex problems, significantly reduced working capacity, as well as income poverty. Before the programme a work ability test has to be made to see whether the client meets the criteria. Subsequently a personal plan is made as to the activities and measure that will be carried out in the programme.

Participants follow the programme on a full time basis and participate in various activities and measures that shall prepare for the transition to working life. Participants receive a "qualification benefit" during participation in the programme (ca. 17 000 euro per year), which mostly is not

significantly higher than ordinary social welfare. Persons under 25 years receive a smaller sum. The maximum duration is two years (with a possibility to extend with another year, under certain conditions). In the first quarter of 2010 the programme should be operational in all NAV offices.

3. Implementation and initial experiences

As the programme still is in the process of implementation in the newly created NAV offices, initial evaluations only have a limited and descriptive scope. The first evaluative study explores, based on qualitative case studies, the implementation and experiences in 12 NAV offices, which started the programme 1,5 years ago.

Since the beginning of the programme about 6 700 persons (had) participate(d) in the programme (July, 2009). In the initial 1,5 years 784 persons had completed the programme and 397 had dropped out (approx. 6%). From those (784) participants that completed the programme about 37 percent is reported to have ordinary employment, 4 percent entered in further education and 8 percent entered into other labour market schemes.

The initial evaluation also indicates that NAV offices have considerable freedom in applying selection criteria for the target group. In addition as key success factors are presented:

- thorough assessment of work ability at the onset of the programme;
- individually tailored qualification plan;
- availability of suitable measures on municipality level;
- training and work test in ordinary work places;
- user involvement in the choice of measures and;
- close follow up by the NAV case manager;

Finally, the basic paper reports that the implementation in the NAV offices took much time and large variations were noted between municipalities as to the clients that were selected, the monitoring of the client participation and progress. Initial evaluations also make aware of further improvements to be made in the day to day operation of the programme: the social work perspective often played a larger role than labour market and vocational training perspectives; moreover some NAV staff reported lack of sufficient manpower.

4. Links to EU Policy

The Peer Review procedure is an important tool of the Open Method of Co-ordination. This method has as an important objective to promote social inclusion policies and social protection systems that are accessible, adequate, financially sustainable and adaptable, and efficient. The major *objectives in the province of social inclusion* are:

- access for all of the resources, rights and services needed for participation in society;
- active social inclusion of all;
- social inclusion policies should be well coordinated and involve all levels of government and relevant actors, including people experiencing poverty.

Another element of the EU Social Protection Social Inclusion Process is *multi-actor participation*: all relevant bodies should be involved in the design, implementation and monitoring of the policy to combat poverty and social exclusion. This should be done by co-ordination of the actions of various stakeholders for increasing social inclusion, and by promoting dialogue and partnership between all the relevant bodies, public and private.

As there are a number of groups within society which face higher risk of poverty and social exclusion compared to the general population, *inclusion of vulnerable groups* is one of the priorities of the EU Social Protection Social Inclusion Process. These vulnerable groups include (but are not limited to): people with disabilities, migrants and ethnic minorities, homeless people, ex-prisoners, drug addicts, people with alcohol problems, isolated older people and children. Their marginal position is illustrated by homelessness, unemployment, low education, and subsequently, their further exclusion from society.

The European Union has a *three-fold approach for active inclusion* in order to overcoming discrimination and increasing the inclusion of vulnerable and marginalised groups, namely:

- increasing access to mainstream services and opportunities;
- enforcing legislation to overcome discrimination and; where necessary,
- developing targeted approaches to respond to the specific needs of each group.

In 2007 the European Commission prepared a new holistic approach to tackling poverty and promoting social inclusion of people with largest distance to the labour market. The Commission called for promoting job retention in order to prevent “revolving door” situations which persons with multiple problems may meet: when in employment it has a limited duration and is followed up by periods of benefit dependency. In the Commission Recommendations of 3 October 2008 on the active inclusion of people excluded from the labour market the Commission stresses to apply three principles when dealing with employment and social inclusion of people excluded from the labour market: adequate income support, inclusive labour markets and access to quality services (Recommendations, 2008).

The Qualification Programme shows various elements that try to meet the aims of the Social EU Protection and Social Inclusion Policy:

- a. The creation of one agency responsible for income support, employment and social welfare services to persons with multiple problems. Social assistance clients that in the past – due to lack of coordination or communication – were not adequately served, now can be served by a new and transparent organisation (NAV) structure, with involvement

of various stakeholders (in the area of social security, employment, social welfare and health services).

- b. The Qualification Programme includes a broad focus on vulnerable groups, with variation in municipal policies depending on the local or regional prevalence of vulnerable groups. Mainstream services are available in a more flexible way to meet specific needs of disadvantaged groups optimally. Several categories of vulnerable groups can be reached now better and a mix of social welfare and employment focussed services can be provided.
- c. The operation of the Qualification Model involves a shift from supply oriented group provisions to a more client centred, demand driven approach, with initial assessment of social and work related needs and capacities of groups with multiple disadvantages.
- d. The Norwegian model seems to provide adequate income support and easier access to services, as promoted in the Commission Recommendation on active inclusion (2008). It still is to be seen which lessons can be learned from the Qualification Programme regarding the third strand of the recommendation - an inclusive labour market.

4. An explorative analysis of the Qualification Programme

Whereas before we considered the Qualification Programme in the light of the EU Protection and Social Inclusion Policy, in this section we will discuss various elements of the Qualification Programme based on the initial evaluation as well as studies and experiences on multi disadvantaged groups in some other countries.

4.1 Holistic approach vs. focus on welfare perspective

In some countries the view is shared that the social situation of clients must be addressed as the first priority, before the person can be job ready (European Social Network, 2009). So, significant attention is paid to 'soft skills' and substantial time is spent on working with clients to ensure that these skills are enhanced (self confidence, ability to interact with others, etc.). After social skills and self esteem have been improved, and social participation and independence have increased, the employment perspective should be stressed.

This is in contrast to the *work first approach*, which focuses mainly on getting people into jobs. The difficulty with that approach is that while expecting from participants to take any job, this often does not lead to sustainable employment. This approach may work for persons who are already close to the labour market (Hasluck et al, 2007).

Evaluators of the pilots preceding the Qualification Programme report a similar conclusion: "social skills training and providing structure and coping strategies in everyday life were seen as *preconditions, both for employability* and for better quality of life" (host country report, p. 10). This

indicates that a minimum (re-) organisation and stabilization of personal life is needed before a (fruitful) start can be made with training and employment measures.

On the other hand in the interim evaluation it is noted (p. 16) that "so far the programme had a clear social work perspective with a focus on "activity", "quality of life" and the users' need for structure in everyday life, *whereas the work oriented perspective has not always been particularly evident.*" Actually, it is observed that in due course the share of labour market measures has decreased in the Qualification Programme, whereas the share of "sheltered" measures to enhance quality of life has increased.

The question may be stated how this employment (training) aspect is elaborated in the daily operation of the Qualification Programme:

- a. How is the employment perspective covered and realized in the individual programmes of clients?
- b. What type of experts (internally/externally) provides this service?
- c. Is this order of measures (in my words: "first regular life or social skills improvement, then employment measures") still considered most appropriate when creating the individual plan?
- d. What organisational measures (e.g. case management team composition, staff training) or administrative tools (e.g. assessment instrument) can be used to strengthen the employment focus?

4.2 The role of health care in the Qualification Programme

The Qualification Programme and its preceding pilots invite to compare this integrated model (one stop shop / cooperation NAV and municipality) with a comparable "rehabilitation model" applied in Sweden and reviewed some years ago (Integrated services, 2006). The Swedish integrated rehabilitation policy model ("Delta model") includes financial coordination and close cooperation at local level between *four* organisations: social insurance offices, primary health care services, municipal social services, and employment boards. This cooperation focuses on the same target groups as the Qualification Programme: individuals with a range of problems, like unemployment, homelessness, bad health, poor educational qualifications, poverty and drug or alcohol abuse.

Parallel to the Swedish model also in the Qualification Programme health services do – through the municipality - participate in the organisation of the programme. However, the evaluation of earlier pilots mentions some barriers in the cooperation with health services. This evokes the questions:

- a. How are health care and health care professionals now involved in the programme, e.g. in the selection of clients, creation of the individual plan, choice of measures, monitoring of progress? This “medical input” particularly may be needed in case of persons with mental health problems and being in and out of hospital. Is a medical assessment included in the programme development (as can be done in the UK Pathways to Work)?
- b. What kind of health related interventions (e.g. medical / psychological treatment) may be applied and in which stage of the programme (e.g. no use of alcohol and drugs before start of skills training initiatives)?

4.3 Inclusion and exclusion criteria for programme participation

The host country report sketches that a workability assessment has to be made for selection of the target group for the programme. However, the document does not specify what qualifying criteria have to be fulfilled by clients to enter the programme. It is sketched that NAV offices have “degrees of freedom” in the decision whom to select for the programme.

On the other hand the paper suggests that municipalities/NAVs must fulfil targets set by the Directorate of Labour and Welfare, which also affects the choice of clients assessed for entering the programme. Furthermore, the availability of specific providers (e.g. dealing with substance abuse) in a municipality seems to affect the selection of the target group.

Also it is not fully clear whether participation is voluntary or more or less compulsory, provided the client meets the qualifying conditions. Moreover, the host country paper indicates (p. 16) that - according to some clients interviewed - the choice for the Qualification Programme (instead of more traditional group based measures) often has been made by the NAV case manager. This may lead to a “creaming” of least disadvantaged groups and less efforts for the hardest to help, or those with the largest distance to the labour market.

4.4 Individualized approach and client involvement

The preliminary evaluations and statistics show a substantial dropout rate for those leaving the programme. The host country report already suggests some explanations like: inclusion of clients without good screening of employment potentialities, in order to fulfil targets; or: selection of the programme by the case manager instead of the client.

These observations suggest that the approach and client personal plans are less individualized than could be possible. Here we maybe touch a key success factor as Hasluck c.s. also noted for the UK: “A synthesis of evidence on flexible delivery concludes that the most disadvantaged can be helped into work if support is sufficiently tailored to their needs and circumstances. A review (of Action Teams for Jobs) has highlighted the importance of flexibility in responding to the needs of customers: of being able to deliver a tailored and client-centred approach with no set limit of financial support. Similarly, a study of ‘inactive’ beneficiaries of ESF projects found that there was

more success where individually tailored support and guidance was offered, rather than from a 'one size fits all' approach." (Hasluck & Green, par. 10.4).

In some countries it is tried to strengthen this approach by giving the client the task to make and motivate the (initial) plan for return to the labour market, which still has to be approved by the client manager. The types of activity, pathways and time table are chosen with the client manager who regularly contacts on the progress and with whom review of elements can be discussed. In the Netherlands substantial results were reached with this approach - in combination with the provision of personal budgets - for persons with disabilities and for the unemployed (Bosselaar & Prins, 2007). Nowadays personal budgets and client centred pathways are tested in municipalities to see whether this approach also fits to (some categories of) persons on social assistance.

Another way to strengthen client involvement may be by adding a contract to the programme that is agreed with the client. A contract between client and administrator is applied in many countries (e.g. Germany, Netherlands, UK). It is considered to give clarity of mutual obligations and rights, and gives the feeling of ownership and places responsibility with the client (European Social Network, 2009).

4.5 Initial assessment and administrative conditions

In the process of pathways to social inclusion and employment of persons with multiple problems and/or large distance to the labour market, an assessment is a regular element for making an individual plan. There are variations (often also within countries) as to the timing and content of the assessment:

- a. In the Qualification Programme a workability assessment is conducted prior to the programme, which also has a formal/legal component: does the client meet the qualifying conditions of the law?
- b. In the Pathways to Work Programme (UK) the development of a personal action is mainly based on work focussed interviews; but also a medical assessment may be involved in this preparatory stage, to examine what the client can do (e.g. in case of persons with mental health problems);
- c. In Dutch municipalities an assessment is made after the first stage of the programme, which focuses on improvement of social skills and self esteem, and the provision of supportive instruments for organisation of personal life (e.g. child care, debt counselling). In the second stage the clients skills are tested in relation to the labour market and a personal plan/pathway (work related training, soft skills, language course, etc.) is made and agreed with the client.

In the light of the experiences reported by NAV employees the initial assessment might be reconsidered. As we do not know which dimensions are assessed now this might regard the

contents of the “test”, its timing in the programme, its screening capacity and “indicative power” as to the desirable content of the individual programme.

However, hesitations and opposition in NAV staff also may be a factor to consider. Initial experiences in the Netherlands with the personal budget programme showed initially serious objections in staff. Several case managers were less motivated to carry out the programme without having received serious training and visible management commitment. Also sufficient staff and adequate targets (or adapted case loads) often are needed: programmes for vulnerable and marginalised groups in general show to need close monitoring, one-to-one and stable client/case manager relationships and – consequently – adequate conditions (time, expertise, motivation) on administrator or provider side.

An other way to meet the needs of clients better may be “specialization” on administrator and service provider side. For instance in the UK the Progress2work Programme is a service for people who are recovering from misusing drugs. It helps persons to get back into training and work, and to sort out problems like housing or debts. A specialist caseworker supports through drug treatment, if necessary, and helps to find training for building up skills and confidence to go back to work. The caseworker also helps to look for jobs and apply for them. When the client is back in work or training, the caseworker will stay in touch for up to 13 weeks. (Progress2work).

4.6 The labour market participation goal

The Quality Programme is implemented in a transformation stage (new NAV agencies, intensified cooperation with municipality). The newly created agencies are responsible not only for the delivery of services but also for involving all relevant stakeholders. As to the employment perspective the basic report already states that many case workers have a social well fare background and may lack labour market expertise.

But also a network with local public and private employers may be essential for providing work trial periods to clients and for placement in ordinary work places. In most countries public and private employers have hesitations as to the employment of persons with largest distance to the labour market (stereotypes, lack of jobs fitting to the skills of applicants, etc.).

It might be very useful to learn from Norwegian experiences how employers can be committed to give job applicants from vulnerable groups a fair change to employment (in the open labour market).

Also it would be relevant to know which “after care” is provided to client and employer once the placement has been realized. Dutch experiences show that clients from the most disadvantaged groups - *as well as their employers* – need someone for consultation in case difficulties arise. So how are employers motivated to give clients from these target groups a chance (financial incentives? wage subsidies)? How is job retention monitored? Which support is given to worker and employer after placement?

On the other hand it should be realized that active inclusion not only regards employment, but also social cohesion, interaction and involvement of disadvantaged persons in social, cultural and other types of activities. Active inclusion may provide for many vulnerable people a chance to learn new skills, to engage in voluntary work, to go out and meet new people, which all may be a personal success in itself.

5. Some discussion topics

1. Balance of welfare and employment perspective in the Qualification Programme: integration in individual programmes, experts and measures involved, ways for strengthening the employment aims (organisational, assessment, programme content?);
2. Position and role of health care and health care professionals in the programme, both regarding specific types of clients and responsibilities in organisation and daily operation (e.g. selection of clients, choice of measures, monitoring of progress);
3. Qualifying criteria for programme participants, voluntary or compulsory participation, centrally imposed targets as to service and placement and role of selection process;
4. Ways for strengthening client involvement, e.g. in the design stage of the individual pathway or in formal conditions or procedures which may stimulate participation and responsibility (e.g. contract, reporting on progress);
5. Assessment of client needs, skills barriers etc. Which tools, procedures and timing maybe considered as "good practices" to evaluate the soft and hard skills of clients from disadvantaged groups and guide the design of successful pathways?
6. Stimulating work trials and placement in the open labour market: supportive structures, incentives for employers commitment, supervision and consultancy services for worker and employer aiming at job retention;
7. Which elements of the Qualification Programme and its current operation do inspire policy makers and administrators from other countries to consider applicability in their country? Which conditions (institutional framework, budget, etc.) may act as barriers or facilitators?

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