Benchmarking carrots and sticks : developing a model for the evaluation of work-based employment programs

Castonguay, J.

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3. **The three dimensions of work-based employment programs**

What is known at this point is that the partial answer to the question “how can benchmarking be used to evaluate active labour market policies” is “through a best-practice benchmark which takes into account indicators of inputs, processes, outputs, impacts and external factors”. The definition of these five types of indicators has already been given in the previous chapter, together with examples of how these apply to active labour market policies in general. However, in order to choose specific indicators, this research needs to focus on a more specific type of program. The discussion will thus take a narrower stance and focus no longer on active labour market policies in general, but on mandatory work-based employment programs.

Before performance indicators can be chosen for the benchmark model, these types of programs must be defined, put into the context of active labour market policies, and analysed with respect to their intervention strategy. The research question of this chapter is thus: what are work-based employment programs and what are their intervention strategies for assisting the unemployed in entering the labour market?

3.1. **Context and definition of work-based employment programs**

It would be difficult to benchmark a labour market program without understanding the theories which form the basis of its intervention strategy. Indeed, this intervention strategy is central to choosing the various indicators of the benchmark model. Amongst others, the intervention strategy will provide a normative basis accounting for the need for this type of program. This normative basis will then be associated with the objectives to be achieved through work-based employment programs. Since the measure of effectiveness is based on the extent to which the objectives are reached, the normative basis will also guide the choice of output and impact indicators. But most importantly, the choice of the process elements will be directly guided by the determinants of success which are predicted by those theories. It is thus clear that the reasoning behind work-based employment programs cannot be ignored if one wants to accurately benchmark them.

This section will thus review the existing theories on the activation of unemployed persons through work-based employment programs. Often
these will overlap with theories on active labour market policies in general, such that much of the discussion would also be applicable for choosing indicators for a broader range of ALMP programs. Nevertheless, the focus here will be on mandatory work-based employment programs, since these will be the subject of the benchmark to be performed later on in part 2 of this research.

The theories and ideas about how to best help the unemployed return to the labour market are so wide ranging that a complete inventory is almost impossible. Nevertheless, what is possible is to first define broad categories of concepts that encompass most theories and ideas and thus provide a more focused framework for this analysis. What is also clear is that this field of intervention is very recent in history, meaning that theories and programs have been evolving rapidly and developing towards ever more sophisticated models. This adds to the complexity of the task of defining the theoretical model of intervention of work-based employment programs.

Chapter one introduced an important trend within the field of employment policies, namely the move to increasingly activating labour market programs. Within this context, work-based employment programs have become more and more popular. Indeed, as discussed earlier, the disappointing effectiveness and efficiency of active labour market policies did not mean that the pendulum returned back to its initial position. On the contrary, the reform has been pushed a little further, and labour market policies are now becoming “activating”, conveying an even stronger sense of dynamicity in the program. “Activating” labour market policies focus significantly more on the active participation and commitment of the unemployed in the programs, whereas active labour market policies were less intensively demanding. Conditionality has also greatly increased, and the unemployed are being required to actively look for a job and to accept job offers made to them, at the same time as participating in mandatory employment programs.

Different typologies and descriptive analysis of the concept of activation can be found in the literature. Most notably, Serrano-Pascual (2004) argues that this move towards activation represents a paradigm shift in the intervention model. She builds her argument by first explaining how the core of the problem of unemployment has changed from being located within the political economy, where intervention was meant to appropriately redistribute wealth, to being located within the individual, where individual behaviour, motivation and attitudes are central to the intervention paradigm. Second, Serrano-Pascual points to the increased emphasis on the need to be active on the labour market to achieve social
inclusion, such that work becomes a prerequisite for citizenship. As a result, the basis for citizenship moved from the political and social spheres towards being based on economic criteria. The third fundamental feature indicating a shift in paradigm is illustrated by the principle of quid-pro-quo as core intervention mode. An increase in conditionality can be seen by the importance of requirements that the unemployed should “deserve” their social benefits, which had always been considered to be social rights. This has implied a shift away from the more traditional social contracts towards moral contracts based on the responsible behaviour of individuals. According to Serrano-Pascual (2007a), this has lead to the use of new intervention instruments in which punitive measures take a large place, as well as new arguments justifying and legitimizing these new measures. This shift in paradigm has also implied that the role of the welfare state changed from being one in which the decommodification of labour was to be fostered towards one in which the state should enhance individual responsibility in achieving economic independence. Similarly, in their European comparison, Van Berkel and Hornemann Møller (2002, p.54) identify at least four different philosophies behind activation interventions to enhance individual responsibility, ranging from strictly paternalistic approaches to approaches that stress the autonomy of the individual.

In fact, the previous active labour market policies where based on the assumption that the only barrier individuals faced when returning to the labour market was their ability to work or their access to the labour market. As put by Larsen and Mailand (2007), the problem to be solved was that of insufficient competences and qualifications of the unemployed for getting a job on the labour market. Actually, this was the case for many workers whose skills were more appropriate for the industrial-based economy than for the service-oriented economy. However, with the increased focus on activation, the problem of unemployment became to be defined as caused by a lack of proper incentives to look for work and to remain active on the labour market. In other words, the willingness to work of the unemployed became increasingly questioned. Along this line, it was discussed by many policy-makers and researchers alike that motivational factors and personal disposition of the participants in the ALMP programs proved to be an important factor of success for active labour market policies (Glebbeek, 2005). Larsen and Meiland (2007) indeed mention how the idea of a motivational deficit within the population of the unemployed promoted a shift towards a social disciplining approach to labour market policy. The authors also highlight the link between this shift towards increased activation and the financial sustainability of the welfare state. Reducing the total costs of
unemployment benefits by reducing caseloads was an important factor in fostering political support for the reform of the unemployment benefits.

Pierson (2001) also pointed towards the fiscal domain as an influential factor for those reforms as he distinguished between three sources for reform. First, there is the need for re-commodification, where activation is needed in order to revive the link between income and being active on the labour market. Second, there is the need for cost containment because of pressures on public resources and the need to decrease social spending for fiscal sustainability. And, third, there is the need for recalibration in order to adapt the welfare state to the realities of the post-industrial society, where for example aging of population and the participation of women in the labour market are central.

Serrano-Pascual (2007b) suggested a typology of activating regimes found within European welfare states. The characteristics that she uses are the modes of managing individuals, and the balance of rights and duties in the social contract. First, the mode of managing individuals is meant to represent the way the states regulate the moral conduct of the unemployed in terms of behaviour and attitudes. Two views are then described which should encompass the modes of managing individuals in different countries. First, the moral-therapeutic management of behaviour can be seen as an understanding that the problem of unemployment results from the tendency of human nature to be idle and rational calculations leading to participation in the labour market if it is beneficial to do so. The other interpretation of this is that the unemployment is a result of personal failings on behalf of those individuals, who irrationally fall into a “culture of dependence”. All in all, the moral-therapeutic mode considers the unemployed unable to make the right choice with regard to being active on the labour market, and intervention from the state then takes a rather paternalistic nature. At the other end of the spectrum of modes of managing individuals is the notion that unemployment is a result of a bad match between the skills of workers and the demands of the market. Individuals are not managed according to their behaviour, but rather through their skills level and access to the labour market. Here again, two approaches can be distinguished: one in which individual skills should be developed, and the other in which the cost of hiring less productive workers should be decreased.

The second dimension used by Serrano-Pascual (2007b) to differentiate activation regimes is the balance between the Quid-Pro-Quo, meaning the balance between the rights and duties of the unemployed. In terms of rights, one can think of an unconditional right to financial assistance
through benefits, but also to the right to services that are provided by the state in order to assist the unemployed. The quality of those provisions should also be taken into account. Here, three separate models can be differentiated. In the first model, the duties of the unemployed are much more emphasised than the rights these have to receive assistance by the state. Conditionality within the benefit system is high and at the same time little effort is made by the state in order to facilitate the job finding process. The second model shows a more balanced situation where there is a large emphasis on both sides of the social contract. In this model, both the rights of the unemployed to quality intervention from the state as well as their duties in using these rights appropriately are important. The last model presents also a balanced situation, albeit one in which there is little emphasis on either the rights of the unemployed or their duties.

Using the two dimensions of modes of managing individuals and balances in qui-pro-quo, Serrano-Pascual (2007b) proposed to typologies activation policies into seven different regimes. These are presented in the following table, as well as the countries that belong to each regime according to the analysis by Serrano-Pascual.

<table>
<thead>
<tr>
<th>TRADE-OFFS</th>
<th>MODES OF MANAGING INDIVIDUALS</th>
<th>Source: Serrano-Pascual (2007, p. 14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duties larger than rights</td>
<td>Economic spring-board regime - United Kingdom</td>
<td></td>
</tr>
<tr>
<td>Duties equal to rights, both large</td>
<td>Civic contractualism regime - Netherlands - Denmark</td>
<td>Autonomous citizens regime - Sweden - France</td>
</tr>
<tr>
<td>Duties equal to rights, both small</td>
<td>Minimalist disciplinary regime - Portugal - Czech Republic</td>
<td>Fragmented provision regime - Spain</td>
</tr>
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</table>

This typology is, however, not the only one in which the different responses to unemployment are described. Amongst others, Sirovátka (2007) proposes to categorise activation policies into three approaches: the weak activation approach which is found in countries of Southern Europe, where unemployment protection is meant for those with long and uninterrupted careers; the selective activation approach in countries where unemployment benefits are meant for the typical bread-winner family model typical to many continental European countries; and the
strong comprehensive activation approach that is found both in liberal welfare regimes as well as in the universal regimes found in Nordic countries, although the goals and methods to achieve this strong and comprehensive approach differ widely between these two cases. Most other typologies of activation policies differ from the approach presented by Serrano-Pascual (2007b) and Sirovátka (2007) by the fact that they present a dichotomy, which contrasts the two models of strong comprehensive activation approach as defined above. One of the most commonly used is the one presented by Lødemel and Trickey (2001), who speak of the human capital approach versus the work-first approach. The human capital approach, typical of the Nordic countries, aims at increasing employability through skills, and the work-first approach, typical of Anglo-Saxon countries, focuses on labour market attachment as a stepping-stone towards sustainable jobs.

Which one of these definitions and typologies is most appropriate is not the point of discussion here, and neither is the objective to give some clarity on the debate whether these changes represent a change in paradigm or merely changes in instruments or discourse. What is shown here is the extent to which the focus on the activation of the unemployed has shifted from a pure human capital discourse, in which the problem of the unemployed was defined in terms of lack of skills, towards a more complex depiction of the reality by also pointing towards the willingness to work and other individually determined characteristics. Indeed, most scholars would agree that the explanation of the problem of unemployment has shifted from the domain external to the unemployed, such as social conditions, power imbalances and macro-economic factors, towards factors internal to the labour supply, such as willingness and ability to work.

In addition, what should be noted here is the wide range of definitions given to a large spectrum of policies, interventions and instruments which, to a great extent, overlap each other. Specifically, three different terms seem to overlap and receive varying definitions from study to study. These are the concepts of activation, workfare and work-first. For example, activation has been described by Lindsay and Mailand (2004) to define any policy seeking to integrate unemployed people into the labour market, particularly by requiring some form of compulsory job search, training or work-based activity. However, this seems to overlap with the definition of workfare given by Hvinden (1999), who said that ALMP is a mix of positive and negative sanctions, while workfare has a greater emphasis on negative sanctions. Especially, workfare is not well defined in this field of research, as acknowledged by Lødemel and Trickey (2000, p.3) as well as Barbier (2005). Also, Peck (2001, p.10) discussed how
indeed workfare has been used as a generic term to refer to both individual welfare-to-work programs as well as paradigmatic reforms towards work-oriented welfare regimes. He himself defines workfare as a political-economic tendency associated with a variety of discursive representations, restructuring strategies, and institutional forms (Peck, 2001, p.11). This definition contrasts with the approach taken by Lødemel and Trickey (2000, p.6), who define workfare as "programs or schemes that require people to work in return for social assistance benefits". However, as also noted by Barbier (2005), throughout Lødemel and Trickey’s international comparison of workfare in seven countries, their definition is greatly relaxed to include many different programs in which not work but training or schooling is the mandatory activity. This was surely true in the context of European countries at the end of the nineties, such as France, Germany, the Netherlands, Norway and Denmark. In this perspective, while Lodemel and Trickey speak of an international comparison of workfare programs, what they compare resemble much more what is defined as activation programs by Lindsay and Mailand. On a rather different note, Handler (2004, p.142) defines workfare in the Western European context to be actually equal to the definition of active labour market policies, although a further reading of the text shows that these definitions relate more to the move towards activation as defined earlier. In addition, Handler (2004) also speaks of “work-first” as a strategy in which work is seen as the utmost priority for employment programs, which resonates with the definition given by Peck for workfare, as well as with definitions of the activation paradigm as described earlier. The difference between active labour market policy, activation, workfare and work first can thus not be drawn from the research that is already available.

These confusions, inconsistencies and incoherencies have lead this research to dissociate with the terminology of workfare, work-first or activation program. The choice here is to speak of work-based employment programs, and not of workfare or work-first programs. The definition used is therefore the following one: work-based employment programs combine mandatory work-activities with job search assistance and training. Their objective is to provide appropriate incentives and assistance to the participants to return to the labour market. As can be seen, whereas active labour market programs offer mostly job search assistance and training to their participants, activating programs also intensively engage their participants in activities designed to increase the probability that the participant will take-up employment on the regular labour market. Within this reform towards more activating labour market interventions, mandatory work-based employment programs emerged as a dominant program in many countries.
This definition is a mix of those found above. First, it overlaps with the definition of ALMP as given by Hvinden (1999), since it combines elements of both positive and negative incentives. Similarly to the definition of activation as given by Lindsay and Mailand (2004), work-based employment programs entail compulsory participation in job search assistance, work-activities and possibly training. The definition of work-based employment programs is the closest to the initial definition of workfare from Lodermel and Trickey’s (2000), which they had to adapt later, as too few countries would match this narrow definition. Since the emergence of programs that require mandatory work-activities has increased largely since the publication of their study, it will be much easier to uphold the criteria that work-activities have to be performed. On the other side, this definition is not meant to define a paradigmatic discourse such as the definitions of Handler (2004) and Peck (2001). With the rise of the activation paradigm, almost any developed welfare state can be said to be a Work First welfare state or a “Workfare state”, in which regular work is seen as the primary objective and the prime mean to achieve economic-self sufficiency. This definition is thus too broad, and does not correspond to the specific type of programs this research is intended to benchmark.

The definition of work-based employment programs will be made operational by using several characteristics as its basis. This is in order to allow for a sufficient number of programs to be included in the benchmarking exercise of Part 2, since using too many characteristics would result in the exclusion of many programs since international variation in characteristics is important. Moreover, using too few characteristics would result in a much too broad definition in which very different programs would be regarded as being similar, making the task of benchmarking much more difficult. As already discussed in chapter 2, the more dissimilar the types of programs to be benchmarked are, the more indicators need to be included in the benchmark in order to take into account these differences. Considering the constraints of this research, it is important to make sure that the programs are similar enough to require the use of a sensible number of indicators in the benchmark.

Taking these aspects into account, three necessary characteristics and one optional characteristic compose the operational definition of work-based employment programs. First, these programs must be mandatory and make use of sanctions in case of non-compliance with the requirement to participate in the program. This characteristic will make sure that the basis for the conditionality of the program will be the same. Second, the
programs’ target group must be people of working age who are deemed able to work, that is to say, those claiming social assistance, unemployment insurance or unemployment assistance. This thus excludes programs that are meant to activate people with disabilities or people who do not have the capacity to work. This is because provisions which are meant to rehabilitate those with physical barriers to work are very different from the provisions meant for the unemployed in social assistance and unemployment benefits. Also, it is important to note that both current and potential claimants can be part of this target group.

Third, a work-activity must be performed by the participants within this program. This work-activity can be in the public or the private sector, for a voluntary organisation or any other type of working environment, as long as the activities can be considered to be of some productive value, whether market-based or not. The last characteristics is non-excluding but serves to show that programs may also complement their work-activities with job search assistance, training or other type of labour market interventions. This is to make sure that it is understood that programs can be of the stricter workfare type, but other softer forms of work-based programs where other elements than “stick” elements are present are also part of the definition.

In sum, the operational definition of work-based employment programs is:

- Work-based employment programs are:
  - mandatory employment programs, where sanctions apply when refusing to participate,
  - for social assistance, unemployment insurance or unemployment assistance benefit claimants (current or potential),
  - where work-activities are being undertaken by the participants,
  - which can be complemented by other employment services such as job search assistance or training/schooling.

3.2. Ability, willingness, and access to work

This section will draw up a framework in which the intervention strategy of work-based employment programs can be analysed. As will first be explained, unemployment can be considered to be caused by three factors: not being able to work, not being willing to work, and not having access to work. Hence, through their intervention strategy, work-based employment programs attempt to improve the chance the unemployed will enter the labour market by acting on three dimensions.
Ability to work

The problem of structural unemployment can be seen to be partially caused by a mismatch in the skills needed to perform the jobs for which there are vacancies and the skills possessed by the unemployed. This is referred to here as a situation where the unemployed is unable to work, because he or she does not possess the qualifications and skills needed to perform the job. It should thus be clear that this does not refer to a physical incapacity to work. Indeed, although many policies might be oriented to assist those with physical or psychological barriers to enter the labour market, this target group is not part of this research. Inability to work here is thus seen as a matter of skills, productivity levels and qualifications, rather than an incapacity to perform work-activities due to factors outside of what is considered to be human capital. The reason physical or psycho-social inability to work is not included here is that the target group of work-based employment programs refers here exclusively to persons claiming social assistance or unemployment insurance benefits, and not those claiming incapacity or disability benefits. In fact, provisions which can assist those claimants in becoming able to work are of a completely different nature than those meant here, since these refer to provisions such as health related services, work-place adaptations, flexible work arrangements, and more. To be clear, the services which are meant here to assist those unable to work to become able to work have to do with training, schooling, and work-experience provisions.

Indeed, especially in the shift from an industrial economy to a post-industrial economy, the type and level of qualification needed to perform many jobs has changed greatly. Since many of the long-term unemployed came from declining industries (mining, manufacturing, etc.), they had to be re-trained in order to possess the skills needed to perform the jobs now available in the growing industries, such as the service sector. In this way, the pressure on sectors where there was excess supplies is alleviated, and sectors with excess demand benefit from a new supply of labour, which at the end results in higher level of employment within the total population (Calmfors, 1994).

Most of what are known as typical ALMP programs were indeed meant to re-train the unemployed for the jobs available in the labour market and to increase their productivity level so as to make them more employable. Sweden was the pioneer in these types of interventions and was in fact very successful at combining labour market flexibility with social security (Dorstal, 2008). In general, this focus on human capital instead of only on income replacement was also part of a general shift from demand-side (Keynesian) interventionism which concentrated on aggregate growth to
spur increases in labour demand, towards a supply-side interventionism based on the skills level of the labour supply.

Regarding Human Capital, two types of skills can be distinguished. First, hard skills refer to education levels and qualifications. These are acquired “in the classroom” and/or with practical experience “on the job”. Second, soft skills represent the interpersonal skills needed to function in a workplace. For example, communication skills, the ability to work with others, the ability to work under the authority of an employer and other types of personal skills other than pure knowledge of the work to be done thus comprise this category of skills.

Willingness to work

Two different approaches to analyse the willingness to work can be taken. These were already discussed when looking at the typology of activation regimes as developed by Serrano-Pascual (2007b). Indeed, one approach is to consider the willingness to work to be a product of rational calculation where the costs and the benefits of taking-up work are weighted against each other. Besides this approach based on rational calculations, another approach stresses the behavioural and moral failures of the unemployed as the reason why they are not active on the labour market. Both of these approaches will be discussed next by looking at how unemployment can also be explained as an unwillingness to participate on the labour market.

Economic theory on the supply and demand of labour shows that the match between skills possessed by the potential employee and the skills demanded by the potential employers are not the only determinant of a successful match. In addition, the costs and benefits perceived by the individual in taking that job will influence whether the potential employee will want to accept a job offer (Walker, 2005). The presence of unemployment benefits means that it is possible not to be employed and still receive some income, influencing unemployment rates. In other words, unemployment benefits have an impact on the cost benefit calculation or whether to work or not. In fact, as will be shown, unemployed persons can be unwilling to work if the benefits arising from working are lower than the costs of taking-up employment and leaving a benefit scheme.

The costs of taking-up a job are made-up of the monetary and non-monetary losses experienced when moving from a benefit-recipient status to an employee status. These costs comprise not only the loss of income from the benefit, but also the loss of income from the payment of income
taxes and social contributions. Also included are the loss of leisure time and its associated opportunity costs, the indirect costs associated with employment (such as clothing, transportation, meal and care costs), and the loss of fringe benefits associated with the welfare-recipient status (such as discounts on public transport and other public services). On the other side of the equation, the benefits of taking up a job are obviously the wage which will be received. In addition, this side of the equation also comprises of a variety of non-monetary benefits of social, psychological and cultural nature, which are related to participating in the labour market. These benefits will, however, vary greatly between welfare claimants, since their socio-cultural and psychological well-being is not clearly predictable based solely on the fact that they are not active on the formal labour market. For example, it is ambiguous to state that an individual will gain a better sense of self-worth from formal employment, as they could have been involved in activities that could be considered by the person to be more rewarding than the offered job, such as voluntary work or taking care of children. This is especially true if the person enters precarious low-paid jobs, which might increase financial insecurity. Nevertheless, it is generally acknowledged that in many cases, employment will bring along a range of benefits of social, psychological and cultural nature, which will increase the value of work in the cost-benefit analysis.

Unemployment is thus exacerbated by the fact that it might be unbeneﬁcial for the claimant to take-up a job. This phenomenon is also called the unemployment trap, indicating that once one “falls” into unemployment one will become “trapped” in this situation. This is surely true if, on the monetary side, the wage to be earned will be lower than the beneﬁt level, but non-monetary factors can also play a large role. Indeed, one can also imagine a situation where the possibility of enjoying much more free time when claiming unemployment beneﬁts will mean that the wage to be offered would need to be somewhat higher than the beneﬁt in order for the claimant to choose to work. The opposite is also possible, where a person will accept to work for a salary which will actually be lower than a possible unemployment beneﬁt, in order to avoid the stigma and negative associations of claiming beneﬁts. The way the different costs and beneﬁts of taking-up employment are weighted will thus vary greatly from one person to the next, depending on factors such as the preference for work and the productivity level of the individual.

Assuming that beneﬁt claimants are rational decision-makers, a solution to unemployment can be found in either lowering the costs of taking-up a job, increasing the beneﬁts of taking-up a job, or a combination of both. Many factors can thus be altered in order to do so. Amongst others, the
cost of leaving unemployment can be lowered by decreasing the amount
of free time by making job search and participation in programs
mandatory. This way, forgoing leisure will not make-up a large part of
the opportunity costs of working. Furthermore, lowering the benefit level
will also result in lower costs of taking-up work since it is less likely that
the benefit will be higher than the potential salary to be received. In
addition, by increasing the wages that the claimants will be able to earn,
the benefit of taking-up employment will be increased. These types of
policies are often named “make work pay” policies and usually provide
income tax incentives and minimum wage standards to make sure that
those at the lower end of the labour market benefit more from working
than from not working.

At last, it should be noted here that while it may seem that willingness to
work and ability to work are two very different categories of explanations
for the problem of unemployment; this is far from being the case. In fact,
one solution to the unemployment problem as described above is to raise
the wage rate above a certain threshold where work is always preferable
to claiming benefits. This is thus in direct link with the Human Capital of
a person. By raising abilities to work, a person will become increasingly
willing to work and claiming a benefit will become less and less
satisfying.

The analysis presented so far refers to a rational choice model in which
individuals are assumed to be utility-maximizing. However, this is not
the only possible interpretation of the reason why some unemployed are
able, but unwilling to work. Here, individuals are seen as lacking
motivation to work and are thought to “not to know what is best for
them” (Serrano-Pascual, 2007b). Moral failure, and not market-failure, is
then at the heart of unemployment. The unemployed are assumed to act
irrationally, making a choice which at the end is not in their best interest.
Indeed, as Classen and Clegg (2006) have identified, the justifications for
reforms are not so much centred on these macro-economic arguments
anymore, but have become much more normative. The mere presence of
an option where one does not work but still enjoys a decent level of
income is tolerated less, colliding with many established notions of social
justice and social solidarity (Classen and Clegg, 2006). In fact, the right to
social benefits is increasingly being seen as a conditional right in which
certain obligations arise. These obligations are part of a quid-pro-quo, in
which the unemployed must do something in return for the benefits they
receive. Concerning this approach to unemployment, Shaver (2002) noted
how, from this moralistic perspective, activation is often voiced in the
negative, as a critique of ‘passive welfare’ that links ‘welfare dependency’
with various social pathologies. In addition, she observed a discursive
shift towards neo-conservative analysis couched in the language of character and culture.

Similar to the first approach, the second approach shows that the situation where individuals choose not to work and to claim a social benefit is deemed inefficient, but this time not from a macro-economic point-of-view, but from more of a social contract point-of-view. In this second approach, it is deemed wrong that the unemployed have a right to a benefit, without having any responsibilities attached to it. Attaching responsibilities to look for work and do everything possible to increase chances to find work to those social rights is then seen as necessary in order to maintain social justice. Conditionality is thus at the heart of this approach to unemployment.

Conditionality also has a role to play in the first approach, since rational-thinking and the unemployment trap can be seen as some form of market-failure, in which rational behaviour at the micro-economic level is not optimal for macro-level social welfare. Hence, the unemployed should be coerced through conditionality to not do what is best on an individual level, but to do what is best for society in general in terms of economic growth. Although both these approaches rest on opposite assumptions with respect to rational decision-making, the implications of these approaches for employment programs will be similar. Unwillingness to work can either be reversed through making work more beneficial, or through conditionality.

Access to work

Nevertheless, unemployment can also arise if a person has the appropriate hard and soft skills that match the demands of the labour market and if the choice of working is more interesting than not working. Being able to have access to the labour market is also necessary, and thus lack of access to work is also part of the explanation to unemployment. As is known, frictional unemployment is caused by the delay between the time one searches for a job and the moment one finds an appropriate job. This type of unemployment can therefore be reduced by making sure the unemployed can quickly have access to job openings, through job brokerage and other types of job search assistance.

But besides the idea that there are some frictions in the match of the supply and the demand of labour, there is also the idea that the unemployed lack the ability to apply successfully to jobs that are being offered. This also touches similar skills as the soft skills discussed when looking at the ability to work, such as communication skills. However,
the issue at hand here is not related to skills needed for the work-tasks to be performed and the functioning in the work-environment. Rather, these strictly refer to skills that make an unemployed successful in his/her job application. The boundary of soft skills relating to human capital is made less clear by the fact that there is a great deal of signalling effect coming from these "job search skills", such as the way a person presents himself to a potential employer. These signalling effects of search skills will be used in order to judge the quality of soft skills needed in the workplace.

Labour market programs have, for a long time, tried to correct this lack of access to the labour market by providing some specific job search training to the unemployed. This includes assistance with writing a resume, practicing answering questions in an interview, as well as developing self-confidence through counselling. Labour market programs can also provide direct access to potential employers through activities meant to increase the network of the unemployed. Moreover, the employers' attitude towards the unemployed, either based on real or unreal prejudice, has also been identified to affect the accessibility of the labour market for the unemployed (UK In house report 67, 1999, p. 42). Subsequently, the public employment service can try to increase the access to the labour market for the unemployed by trying to change the stigma that is associated with claiming benefit. Also, providing experiences which are likely to remove these prejudices would be an effective way to increase access to the labour market. Clearly, increasing the access to work can be done through both the supply and the demand of the labour market.

In fact, many non-skills related barriers to work mean that access to work is restrained. In the United Kingdom, barriers to work have been identified as going further than a lack of jobs on the labour market and a lack of skills to perform the available jobs, but are also said to include broader social or psychological barriers (In-house report 67, 1999, p. 8). Good examples of these are the lack of transportation means to attend job interviews and the lack of childcare facilities. Social provisions which are meant to eliminate these types of barriers to work all increase the access to work for the unemployed.

Furthermore, many authors have also stressed the importance of networks in finding a job. According to network theory, informal weak ties can be very productive in assisting the unemployed in making contacts with potential employers (Granovetter, 1974). Larsen (2007) has shown through quantitative research of the job search success of Danish unemployed that the presence of networks was as important as the presence of economic incentives in finding a job, if not more important.
He therefore explains that the lack of networks, especially weak networks of acquaintances and contacts (such as former colleagues or members of associations one is part of), is one of the factors which aggravates the vicious circles of unemployment.

In addition, the sociological job search model which was developed by Goul Andersen (2002) also highlights the barriers to work not only include low skills but also the lack channels through which the labour market can easily be accessed. One of his suggestions is that those claiming benefit also do not have the time and resources necessary to find a job since most of them are living at the brink of poverty and must use their energy in order to cope with the small amount of resources they have. One can imagine that searching for affordable accommodation and cheap food becomes a priority over finding a job in the regular labour market. Actually making sure that benefit levels are substantial enough in order to free the claimants from these time and resource consuming concerns could therefore also be seen as a mean to increase the access to the labour market. The provision of social housing, subsidized child care, debt help, subsidized public transportation, free health care can thus clearly be linked with attempts to increase the access to the labour market, even though these will most likely not be directly part the employment policies as such.

A three-dimensional intervention strategy

The boundary between the ability to work, the willingness to work and the access to work are all very close to each other. Those three qualities required to find a job were shown to be closely related to the hard and soft skills of the unemployed, but these must be acknowledged to refer to a broad array of capabilities, from education levels to “self-marketing” abilities. It is also clear that an effective solution to the problem of unemployment must address those three dimensions, since all three must be present in order to successfully find and keep a job.

An evaluation of labour market programs should thus take into account the dimensions of ability, willingness and access to work when analysing the success of a program. That is not to say that all three dimensions will be equally present in every program. On the contrary, one of these aspects is likely to dominate from the others, and this aspect will form the most prevalent normative basis of the program. Nevertheless, all three norms will co-exist within each program, partially due to the legacy of all lessons learned in the past, which showed that all three dimensions can positively affect rates of exit-to-work.
From a theoretical point of view, mandatory work-based employment programs have the potential to improve on all three of those dimensions. As mentioned above, mandatory work-based employment programs were not created in a vacuum space but stem from lessons learned from what was previously implemented. Since Active Labour Market Policies were very oriented towards the ability to work, some elements of this solution to unemployment can be found in its normative basis. However, work-based employment programs not only focus on the ability of the individuals but also intend to influence the willingness to work through first, activation conditions and second, through increasing productivity levels and thus the wage rate. Moreover, access to work is also targeted through this type of intervention. This is done through job search assistance and provisions which allow the unemployed to become more attractive to potential employers, such as having a recent work-experience on their résumé. These aspects will be discussed in more detail later on, but it suffices to say here that work-based employment programs should be evaluated against this three-dimensional intervention model.

These three dimensions will thus form the normative basis of the legitimization of these programs as an intervention on the labour market. This legitimisation strategy will contain three elements. The first element of this legitimisation strategy is the “reciprocity” argument. This definition of legitimacy is highly normative, and uses concepts such as the social contract to explain social interventions from the government into the work-decisions of individuals. This normative interpretation of legitimacy is the most prominent one in the debates on conditionality in social security benefits eligibility. The question here is whether the unemployed should be forced through activation conditions to participate in employment programs, or whether there exist an unconditional right to social security. The answer to this in the Reciprocity strategy is that claimants should be required to participate in employment programs because they must give something back for what they receive. Other words for this would be that there is a quid-pro-quo for receiving social benefits. In fact, the situation where an individual is unwilling to work because utility is higher when receiving an unemployment benefit is here seen as undesirable and inefficient. While some of these explanations refer to giving something back to the tax payers who “pay” for the benefits, other remain more abstract in this normative source for the quid-pro-quo and rather see this as a general rule that any rights must come with an obligations.

The second element of the legitimisation strategy is the “employability” argument. Here, the argument for why participation should be required is centered on the improvement in the employability of the participant.
Evidently, the normative arguments are based on economic theories and sociological theories which stress the importance of skills for the return to the labour market of claimants. This employability argument is based on the fact that participation in mandatory employment programs provides the participants with both specific work-skills as well as soft-skills such as proper work-attitudes in order to increase their level of employability. Deacon (1998) has also recognised this legitimisation strategy as being one which justifies making employment programs compulsory in a rather authoritative way. Indeed, the claimants are here deemed as not perfectly knowing what is best from them, and making these employment programs compulsory makes sure that even those myopic with regards to this investment in their Human Capital will take part in the program.

Finally, the third element of this legitimisation strategy is the “social inclusion” argument. This refers to the idea that unemployment, especially long-term unemployment, can lead to social exclusion and social marginalisation. This can in turn lead to a decreased access to the labour market. Mandatory participation in employment programs would then counteract this by providing an opportunity for the claimants to still take part in activities which provide some means of social interaction and social recognition. The networks which will allow the individual to have access to potential employers will then be maintained, or added upon, so that unemployment will not result in the loss of important ties to the labour market. In other words, mandatory employment programs prevent the rise of an under-class of claimants who are excluded from participation in society through the labour market. Central here is also the claim that the labour market provides a great deal of opportunities for social integration and social recognition, as opposed to other activities such as care.

Following these three arguments of the normative basis for work-based employment programs, an intervention strategy will be created. If each dimension of the propensity to take-up a job is considered simultaneously, a three-dimensional model of individual propensity to return to the labour market is created, which is made up of 8 different quadrants (figure 3). The first group to be discussed portrays the situation in which the individual is both able and willing to work, but does not have access to the labour market. For these individuals, the barrier to finding employment lies in the fact that they are not able to find a proper match on the labour market on their own. For these individuals who are able and willing to work, the provision of job search assistance in terms of job brokerage can be the solution of the problem. For others, assistance with the application process may be necessary in order to give the appropriate signalling to potential employers. It can also be that
potential employers are prejudiced against social assistance claimants, and working towards the removal of these prejudices may be necessary. One example of this is to allow the claimant to take part in the regular labour market as part of the employment program, such that the claimant posses a recent work-experience when applying for a job on the regular labour market.

Figure 3: Three-dimensional intervention strategy

The second group is made-up of individuals who are willing to work and have proper access to the labour market, but are unable to productively participate in the labour market. These individuals will need appropriate training and schooling in order to find an employer willing to offer them a job at a wage which corresponds to their marginal productivity. When active labour market policies where designed, this groups was assumed to be the most important group making up the stock and inflow of welfare recipients.

The two next groups are defined by looking at the second dimension to the model, the willingness to work and forgo unemployment benefits. The third group consists of those who are able to work, but who are not willing to leave their benefit recipient status. The fourth group is made up of those individuals who are both unable to work and unwilling to work. For both these groups, the incentive to work will need to be
influenced by the program, making work more valuable in their choice between work and leisure. This can of course be achieved through, as was mentioned above, making the benefit conditional to participation in the program and looking for a job while being unemployed. Also, by increasing Human Capital, the wage which can potentially be earned will be increased, making work potentially more rewarding than before participating in the program.

All in all, seven groups are thus presenting at least one element which represents a barrier to finding a job, and some of these groups are burdened even with two or all three of these barriers. Hence, provisions which base their intervention strategy on the ability, willingness and access to work would be able to assist all these groups in finding a job on the regular labour market. Furthermore, one important aspect of labour market interventions is their preventive aspect. Individuals are assumed to be mobile between the various quadrants not only in a positive way, but it is also assumed that with time individuals can lose their ability to work, their willingness to work and also their access to the labour market. Such an assumption is based, amongst others, on a variety of studies on long-term unemployment, which show the increased dependency on welfare as the duration of the welfare claim increases (see Jackman and Layard (1990), Heady et. al. (2000), Dockerty and Webster (2001) and Korpi (2001)). Labour market programs such as work-based employment programs therefore focus a great deal of attention on preventing those who are able and willing to work and who have good access to the labour market from becoming unable or unwilling to work, or losing their connections to the labour market.

As already said, in theory, work-based employment programs as well as activating policies in general take into account the existence of these seven groups of unemployed. In fact, the intervention strategy of work-based programs is often explicitly directed at changing the ratio between the amount of people that are unwilling and unable to work towards the direction of being able and willing to work, all of this while providing channels to access the labour market. Work-based employment programs as defined in this research generally offer three types of activities, that is to say, job search assistance, training opportunities (either on the job or in an educational program) and work activities. Using these three activities, the programs intend to influence job search capacities, productivity levels, and preferences with respect to work and leisure.

First, job search assistance has for objective an efficient matching of labour supply and labour demand as well as increasing the job search
capabilities of the unemployed. Job search assistance is made up of job brokerage, assistance with application procedures, job search skills training, counselling, as well as monitoring and sanctioning of search behaviour. This thus both have an effect on the access to work as well as the willingness to work (especially regarding monitoring/sanctioning of job search behaviour). On the border between access to work and ability to work, job search assistance can also help the unemployed with giving the appropriate signalling effect in certain aspects of the application procedure, which will be used by employer as an indication of the ability to work.

Second, training programs includes specific skills-training aimed at increasing productivity as well as more “on the job” training which occurs through the work-activities. Some program will allow the participants to acquire general education through recognised adult education centres (for example, obtaining a high school diploma). Other programs will focus their training on specific vocational education (for example, obtaining a mechanics qualification). Also, training can be more informal and not lead to recognised diplomas, but be focused on specific work-related skills (for example, training to be able to operate a cash register, or a fork-lift truck).

Third, work activities can be made up of different kinds of activities, and are mostly distinguished by the way they are rewarded and the environment in which they take place. First, the work activities can be performed in return for a welfare benefit. Otherwise, the work activities can be rewarded by salaries based on a regular employment contracts. Second, work activities can take place in a work environment that is set-up and ran by the government. They can also take place in a real work environment managed by a firm where the program participants are treated as real employees. Often, these two distinctions will coincide with each other; publicly ran programs will reward the participants with a benefit, while private work environments are coupled with regular employment contracts and thus a regular salary. Nevertheless, this typology is far from being true for all projects and all combinations of these two distinctive elements are possible.

It is important to note that this paper departs from the definition of work activities of Work First presented by Ochel (2005). Ochel constrained his definition of work-activities to workfare activities which purely concentrate on “work” and not any other type of training, skills improvement or activation objectives. However, it can hardly be denied that, in most programs, work activities have a skills-training effect, even though in some case it is seen as an indirect effect. In fact, many
programs incorporate skills training and other types of job-performance training in their work activities, such as the training of work-ethics, making those activities not only about “work”. Considering this, those work activities could be seen as interventions aiming to increase willingness to work since the choice is presented to the unemployed is not anymore between work and leisure but between work and “work-based employment program”. However, it is also clear that abilities to work are also improved through the experience provided by the program. These could be actually hard skills such as better experience with specific work-skills such as landscaping, or the more soft kind of skills such as the ability to work in teams.

At last, the access to work is also greatly improved through these work-activities. One obvious example is that these programs can bring the unemployed directly in touch with real employers which can then be part of the network of the person looking for a job. Also, the work-activities can assist in diagnosing the barriers to work such as lack of means of transportation or childcare facilities. Increases in proper signalling effects coming from having had recent work-experience is also one way work-based employment program can increase access to work. Likewise, Bogdanor (2004) identified four reasons how work-requirements can be beneficial. These are 1) Reducing fraud, since while the participants are required to work they cannot spend their time in undeclared jobs; 2) providing real work incentives by eliminating the option of “something for nothing”, which was already mentioned above; 3) maintaining work habits, which are necessary in order to be qualified “able” to work, but also as part of the job search efforts in order to send out proper signals to potential employers; and finally 4) to provide work experience, also here in terms of real hard and soft skills acquisition but also necessary in order to have access to the labour market.

Table 3.2 on the next page summarizes the effect of the program components on the different factors influencing the choice to take-up a job.

It is important to mention that in order to curb the incentives of those unwilling to work, work-based employment programs must be mandatory for all selected participants. It would be ineffective to make the program optional, as the incentive structure of the cost-benefit calculations regarding employment will also make work-based programs unattractive for most individuals unwilling to work. It is also important to notice that the cost-benefit analysis between participating in the program or taking-up regular employment is also valid for individuals who have yet to make a welfare benefit claim (new entrants). The same is
true for individuals who already claim a benefit but are not part of a work-based program. This is possible since participating in the work-based employment program is mandatory for the selected participants, meaning that the costs and benefits arising through the program are unavoidable.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Ability</th>
<th>Willingness</th>
<th>Access</th>
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<td>Norm</td>
<td>Employability</td>
<td>Reciprocity</td>
<td>Social Inclusion</td>
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<td>because hard and soft skills need</td>
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<td>order to maintain or increase</td>
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</tr>
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<td></td>
<td>productivity”</td>
<td>successfully to a job”</td>
<td>improved, and specific</td>
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<td>skills are needed to apply</td>
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<td>successfully to a job”</td>
</tr>
<tr>
<td>Instrument</td>
<td>Training programs</td>
<td>Work-activities</td>
<td>Job search assistance</td>
</tr>
<tr>
<td></td>
<td>Work-activities (on the job training)</td>
<td>Training programs</td>
<td>Work-activities</td>
</tr>
<tr>
<td>Effect</td>
<td>- Better match with</td>
<td>- Changed</td>
<td>- Network</td>
</tr>
<tr>
<td></td>
<td>labour demand</td>
<td>preferences for work versus leisure</td>
<td>- Job search skills</td>
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<tr>
<td></td>
<td>- Increased productivity</td>
<td>- Increased productivity</td>
<td>- &quot;Employability”</td>
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<td>signalling</td>
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Concluding this section, it is clear that the intervention strategy of work-based employment programs is based on three dimensions of the propensity to take-up employment: the ability to work, the willingness to work and access to work. Indeed, economic analysis shows that the choice between work and leisure will depend on the productivity of the worker (his/her ability to work), its utility derived from work (his/her willingness to work), and its ability to have proper access to vacancies and potential employers. It is therefore possible for work-based employment programs to increase the propensity of the welfare recipient to take-up employment by providing a combination of job search assistance, training, and work-activities. By doing so, this allows for the possibility of a mixed system of work-based social security system which rewards work while not punishing unemployment, providing the equilibrium between self-reliance and altruism (Solow (1998) in Beaudry, 2002, p.23).
3.3. Carrots, sticks, and incentives to return to work

Overarching this intervention-strategy, a distinction can be made between two different types of instruments. As noted by Le Grand (1997), these instruments assume that the unemployed are rational actors, who will make an informed decision on how to act as a response from various incentives (in Lødemel and Trickey, 2000, p.14). On one side are thus the disincentives to stay in the benefit or to be inactive within this benefit. These negative incentives are mostly attempting to make it the least attractive possible to stay in the benefit, and are therefore often called the "sticks" of the programs. They can also be seen as a punishment for having to claim a benefit and being inactive for a while, and not finding a job quickly. On the other side, one finds the positive incentives to find a job and to participate in employment programs, which are also called the "carrots" of the program. A good example of a negative incentive is the lowering of the benefit level as the duration of unemployment increases. With respect to work-based employment programs in specific, mandatory participation enforced through sanctions is surely a major "stick" of the programs, as well as in general the activation conditions that the participants need to fulfill. On the other side, giving a bonus to someone who takes part in the work-based employment program would be considered a positive incentive, or in other words, a carrot. Also, provisions such as training and job search assistance, as well as interesting work-placements which will provide relevant work experiences can be seen as a positive incentive with respect to work-based employment programs.

This carrots-and-sticks metaphor shows that some elements of employment programs are meant to reward participants and "pull" them away from unemployment, while other elements are meant to punish and to "push" towards employment. As mentioned by Handler (2004, p. 26), such as strategy is assuming that the problem of the unemployed is that they do not have the proper incentive structure to enter the labour market. The two instruments overlap with the intervention-strategy as discussed above, but clearly, most negative incentives will be found within the willingness-to-work dimension. Nevertheless, mandatory job search can be considered a stick and does fall under increasing access-to-work, so such a distinction is not clear-cut. Within the dimension of increasing skills, examples of negative incentives are more difficult to find, but mandatory training program could also make it less attractive for someone to claim a benefit if one does not regard such training as useful.
Most prominent in the discussions surrounding work-based employment programs are the “sticks” of the program. Lødemel and Trickey (2000, p.14) even go as far as claiming that an ideal-type workfare would per definition place a greater emphasis on disincentives in the form of sanctions. Even though work-based employment programs in this benchmark are also defined as using sanction, this research does not stipulate at first that a stronger focus on negative incentives is key to these programs. The reason the negative incentives are most prominent within work-based employment programs might have more to do with the attempt to reach high level of efficiency, than with a focus on effectiveness as such. Indeed, Darri-Mattiaci and De Geest (2008) have shown that since threats do not imply any direct costs other than the costs of laying the threat, these are much cheaper to use than rewards. The researchers explain how, when the threat is successful and that the threat does not need to be used, this threat can then be used again to form a new threat. The researchers call this effect the multiplication effect of threats, which is not present with rewards since these are exhausted every time they are used. Through this multiplication effect, sanctions as a collective measure will be more efficient than benefits since they will infer much lower costs. Hence, the focus on work-based employment programs on negative incentives could be explained by the fact that these are often implemented in a context of increased focus on cost-efficiency within the welfare state.

The “carrots and sticks” approach of work-based employment programs therefore needs to be further investigated. The first question this research will attempt to answer is whether it is true that typical work-based employment programs do only focus on the negative incentives within the programs. This will be done by looking at the different elements of each program, contrasting indicators on sanctions and activations conditions to the provision of relevant training and supportive job search assistance. The second question will be related to analysing whether a stronger focus on the “sticks” in the program do lead to more efficient and effective programs. This will be done by comparing the size of each type of instruments to the results of the programs. Answering these questions will help to provide a better understanding of the consequences of the increase in the use of negative incentives in what are being called “workfare states” by Jessop (1993, in Lødemel and Trickey, 2000, p.15).