

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

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1. Introduction

This report focuses mainly on the transferability of the Norwegian Qualification Programme (QuP) to Cyprus as a tool to support the integration of people with reduced working capacity into the labour market. As in Norway, the labour force participation is high in Cyprus. Unemployment has also been kept low since the 1980s, even though it has increased sharply during the last few months due to the financial crisis which hit hard the tourism and construction sectors.

People with reduced working capacity in Cyprus are mainly public assistance recipients. According to the Social Welfare Services (SWS) of the Ministry of Labour and Social Insurance of Cyprus, there are 13760 public assistance recipients aged between 15 and 64 years old - the working age group in Cyprus. Around two thirds of them are persons with physical and/or mental problems/disabilities. Low education, limited or no work experience and/or skills, drug addiction and family problems are also widespread among public assistance recipients making them most distanced from the labour market. According to a recent study by the SWS only 19.5% of them participate in the labour market and the main reason they give for this is health problems (72.7%) Also a large number (44.2%) believe they are unable to work, while 55.6% among those previously in employment state health problems as the reasons for quitting their job.

Interestingly, however, the SWS study also shows that among those not currently working the most important reasons enticing them to enter the labour is higher wage for 47.0%, flexible working hours for 44.2% and psychological support for 32.2%. These numbers suggest that applying a programme like Norwegian QuP to Cyprus may encourage the integration of a large proportion of public assistance recipients into the labour market and, more importantly, assist them to stay in employment.

2. Similarities – Differences to the Cypriot experience

All legal residents in Cyprus with income below the level deemed necessary to support them and their dependent persons are entitled to a public assistance benefit, the level of which varies with the needs and circumstances of the individual. For this reason, the public assistance recipients in Cyprus is a broad category of individuals that includes persons with physical illness, blindness, deafness, drug/alcohol addicts, persons with mental/physical problems and/or disabilities, the unemployed not entitled or entitled to a low unemployment benefit, victims of violence, single parents, families with a large number of children, orphans etc. Among them are persons physically able to work, but also persons unable to do so. The question here is what are the reasons keeping people physically able to work away from employment and is there anything in

the Norwegian QuP that can help the government find ways to encourage them to participate in the labour market? ¹

2.1 The Cyprus programme 'Vocational Training and Promotion of Public Assistance Recipients in the Labour Market'

Cyprus tried to integrate into the labour market individuals who are distanced from the labour market and have substantial and complex problems via the programme 'Vocational Training and Promotion of Public Assistance Recipients in the Labour Market', which started in 2005 and was completed in 2008. This programme was co-financed by the European Social Fund and the Government of Cyprus under the Single Programming Document, Objective 3, 'Human Resources'. It falls within the wider state policy for promoting equal opportunities for all, in terms of access to the labour market, with particular attention to persons at risk of social exclusion. The SWS supported the (re)integration into the labour market of the recipients of public assistance who completed successfully the vocational training programme described below. In particular, the government subsidised 40% of the salary of the programme participants for the first year of his/her employment.

The 'Vocational Training and Promotion of Public Assistance Recipients in the Labour Market' was the first of its kind in Cyprus and contributed towards acquiring knowledge and experiences in the area of promoting labour market integration policies, developing closer cooperation between stakeholders, developing monitoring mechanisms and cultivating a labour market activation culture among public assistance recipients. However, problems were faced during the implementation of the programme, such as poor motivation for participation and difficulties in sensitising the society at large (including the government) about the importance of labour market participation as means to achieve the social integration of persons dependent on state support.

As regards the success of the programme in achieving its labour market participation objectives, an assessment of the results was prepared by a scientific consultant hired by the SWS. The consultant was asked, among other, to (i) assess the efficacy of the training courses towards achieving employment, (ii) identify the factors that affected negatively the quality and efficiency of the programme, and (iii) assess the results vis-à-vis the training and employability of the participants. According to this assessment 346 (out of 486 declaring interest) public assistance recipients participated in the programme, which was delivered in courses grouped in three axes: communication skills and self-development courses; computer skills and information technology skills training courses; and courses to acquire skills in English language or techniques in serving customers or in sales and in office organisation or in being a clerk.

- The first axis of the programme was described as satisfactory by 67% of the participants while 30% were satisfied from the organisation of the training courses; 74% said that they developed substantial communication and cooperation skills, 70% that they enhanced their self-esteem, and 48% that the courses assisted them substantially in finding a job.

¹ We would like to stress that by focusing on public assistance recipients we cover the huge majority of the persons that can be targeted for labour market integration; and thus, any comparisons made with the Norwegian QuP will refer to programmes that exist in Cyprus and try to integrate public assistance recipients into the labour market.

- Among participants of the second axis of the programme 44% thought highly of the offered courses but only 30% said that these courses assisted them substantially in finding a job, while 31% said they did not assist them at all.
- Among participants of the third axis of the programme 61% said that they thought highly of its courses and 60% that they acquired knowledge for employment in a work position related to these courses.

The completion of the first and third axes were characterised as satisfactory by the scientific consultant but the second axis was thought to be problematic because most participants knew nothing about computers and could not follow the courses. Among the participants 47% said the training courses assisted their professional enhancement substantially, 45% that these courses assisted them in finding a job, 41% that they improved their self-esteem and 35% that they improved their economic situation; 19% characterised the programme very efficient, 56% fairly efficient and 25% less efficient. Among those who completed the courses 18% said that finding a job was very easy, 24% fairly easy, 24% easy and 34% not easy at all.

Following completion of the training part of the programme, participants were placed in jobs. The majority of those who dropped out from their work placement said they resigned because they could not adjust to the requirements of the job. Other reasons given for job quits included family obligations, poor health, better job and avoiding loss of the public assistance benefit; interestingly, 70% of the participants said that they would accept a proposal from another employer to (re)enter the labour market. Among those who quitted their job, 58% did so willingly, while 25% were fired. As regards the employers the main reason for taking part in the programme was personnel needs for 77% and the wage subsidy for 48%; 74% of them continued to employ the participant after the wage subsidy was withdrawn. According to the employers, 33% of the problems faced by the participant were related to communication with co-workers, 22% to working hours and 22% to reconciliation of work and family life. Almost half the employers said that the probability of continuing the employment of the public assistance recipient beyond the wage subsidisation period (first twelve months) was very high.

2.2 What the Cyprus programme can learn from the Norwegian QuP

Participation in the Cyprus programme 'Vocational Training and Promotion of Public Assistance Recipients in the Labour Market' was voluntary shared the same objective as in the Norwegian QuP: prevent long term dependency of public/social assistance benefit by helping recipients to integrate in the labour market. The Norwegian QuP, however, has features that could have helped improve on the success of the Cyprus programme if they had been included in it.

- Incentives for participation: The QuP pays participants a standardised qualification benefit of 17000 euro per year, which is above the social welfare benefit paid in Norway; whereas participants in the Cyprus programme were not offered a benefit higher than that paid to non-participating public assistance recipients. Furthermore, in the Norwegian QuP the standardised qualification benefit is paid for two years, which could be extended for another year, subject to assessment.
- Comprehensive preparation for employment: Participants in the Norwegian QuP follow the programme on a full time basis (37.5 hours weekly) and are engaged in a variety of activities imitating conditions close to those which the participants would face in the

labour market. This can do more to 'smooth' entrance to the labour market than focusing on vocational training, as did the Cyprus programme.

- Joint labour market and social integration: The QuP is tailored to the individual needs and circumstances of participants and combines measures promoting work training/experience and social integration at the same time. The Cypriot programme included only measures to integrate participants in the labour market and its adaptability to the needs of the individual was limited to some options given to participants.²
- Selection criteria for programme participation: Participation in the QuP programme requires applicants to have a severely diminished capacity for work, yet the work ability of the applicants is thoroughly assessed at the onset of the programme and their individually tailored qualification plan is prepared vis-à-vis the availability of suitable measures on municipality level. The only requirement for participation in the Cyprus programme was the status of public assistance recipient.

One further lesson Cyprus can learn from the Norwegian QuP is that the success of programmes aimed at promoting labour market participation among people dependent on state support is limited by the small number of participants remaining in employment for on a long term basis. For this reason we believe that actions taken at the following two fronts can play an important role in enhancing the success:

- Long term monitoring and assessment coupled with continuous support and incentives. The QuP makes a step in this direction by offering the chance to individuals to extend their participation in the programme for a third year upon progress assessment. Adding a contract between the administrator of the programme and the participant can also be a useful feature. This is not a feature of QuP but has been applied in some countries (e.g. Germany, Netherlands, UK) and found to contribute to the success of labour market participation programmes through clarifying obligations and rights and generating a feeling of mutual responsibility.
- More incentives to employers (not necessarily financial, e.g. raised consumer perception of social responsibility) to co-operate in the programmes. As is well known from international experience both public and private employers have hesitations when it comes to employing persons distanced from the labour market, saying that they do not have a job fitting to the skills of the participants. Supportive actions are, therefore, needed to create a broad network with committed public and private employers prior, during and after the programme. This network can elicit more choice in the work placement of participants and warrant a long-term programme success.

² The participants had to attend courses of communication skills and skills of self-development as well as courses of skills in using a computer and handling information technology and could choose between attending courses of (a) skills in English language, (b) techniques in serving customers/sales and (c) techniques in office organisation/being a clerk.

3. Transferability and measuring the impact of the practice

3.1 Transferability of the proposed practice

Before we consider the transferability of the Norwegian QuP to Cyprus, we should first consider some of its features one would wish to have in a programme aiming at social integration through labour market participation:

- Provision of suitable individually tailored schemes that vary according to the distance of the individual from the labour market.
- Measures for labour market participation based on the willingness of participants to accept them rather than the strength of SWS to enforce them.
- Organisation enabling SWS to cooperate with and be assisted by all authorities involved the design and delivery of the programme (health care services, local authorities, NGOs, etc).
- Counselling and support of the participants helping them to adapt to the working environment and life style by persons trained to treat each person as an individual case.
- Measures that are flexible enough to address problems faced by each participant individually and reconcile work with family life.
- Collaboration with employers to combat potential problems arising vis-a-vis the employment of persons participating in the programme.
- Emphasis on supportive measures during the programme and for an adequate time period after its completion to assist participants' stay at work.

Most of the above characteristics would benefit programmes to promote labour market participation among public assistance recipients in Cyprus. Yet, some preparation is needed to ensure that the best possible outcome is realised from the transfer of the Norwegian practice.

The people considered to be distanced from the labour market and have substantial and complex problems in Cyprus are the same as in the Norwegian QuP. Yet, as said earlier, in the case of Cyprus among public assistance recipients are persons physically and/or mentally unable to work. In our opinion, the first thing one would want to do before contemplating the application of a programme to increase labour market participation is to separate persons able to work from those physically unable to do so. The latter category of persons should be recipients of a benefit other than public assistance, since they will have to rely on state support probably for the rest of their lives. This separation will also help the SWS target their activities to the needs of the individuals they serve:

- for those able to work the social integration programmes can be built around labour market participation, with strong training, skill development and other features facilitating their transition from inactivity to work (wage subsidies, appropriate work environment, etc); and

- for those unable to work the social integration programme can place more emphasis on social inclusion by means other than labour market integration, even though measures for limited labour market participation need not be excluded.

Further to targeting labour market participation programmes to those physically able to work, selection criteria should be applied in order to yield the maximum possible employment results. Otherwise, in addition to the waste of resources, there can be negative repercussions on future programmes from diminished willingness to participate. As the Norwegian programme did, participants should be chosen bearing in mind their ability, willingness and determination to find a job. Therefore, prior to granting entitlement to participation, candidates should be thoroughly assessed. Moreover, it is important that during the selection process the same eligibility criteria apply to similar cases in all areas by the SWS officers.

The last point in the previous paragraph brings forward another area where Cyprus should make progress before contemplating the transfer of QuP features to its programmes, in particular the measures combining simultaneous labour market and social integration: SWS staff training. This argument can be underestimated if one fails to understand the new commitments the SWS officers will be asked to undertake, including adaptation to new work-loads, involving different tasks, closer monitoring and, probably, more time, expertise and motivation. Furthermore, introducing some features of the QuP programme in Cyprus may, as said earlier, entail (re)organisation to allow the SWS to cooperate more closely with and be assisted more effectively by all stakeholders involved in the design, delivery and monitoring of social policy (health care services, local authorities, NGOs, etc).

The need to give more incentives to participants in programmes for the labour market integration of public assistant recipients in Cyprus, as in the QuP, also requires the commitment of more resources by the government. The committed resources will also have to be increased substantially for pursuing a QuP type programme, where participants are prepared for labour market participation by engaging in a variety of full time activities mimicking labour market participation. Adding to the design and implementation of features incorporated in the Norwegian QuP is the use of social inclusion measures to facilitate labour market integration objectives. This approach, entailing the tailoring of the programme to the needs of the individual person, yields more and more permanent results than measures focusing on labour market integration alone. However, they cost considerably more per participant. Therefore, Cyprus government needs to be prepared to commit the extra resources or limit participation in the programme.

3.2 Measuring the impact of the practice

The Norwegian QuP was evaluated but priority was given in describing the implementation process and identifying challenges that can be used to further develop the programme. Moreover, interviews were conducted not only among participants in the programme but also among those employed for carrying out the work for the programme (leaders, service providers, employees). In the circumstance, information gathered from interviews is probably the best possible means for assessing the success of the programme as one can get first-hand experience from the actors involved (social assistance recipients, employers and service providers, field workers etc).

In our opinion, however, in order to assess correctly the impact of the Norwegian practice under consideration, someone should have drawn (through interviews or otherwise) randomised information before the start and after the completion of the QuP. This would enable one to

measure the contribution of QuP as the difference in the labour market participation of members of the target group attributed to measures taken in the context of the programme. Without this information attempts to assess the impact of the Norwegian QuP are subject to sample selection bias giving rise to misleading conclusions. An ex-post correction of this bias can be made by collecting information from those who were eligible to participate in the programme but were not selected for specific reasons (that may also need to be used for correcting sample selection bias).

No matter how well perceived and implemented, and no matter how praised (or cursed) by those asked after the programme is completed, unfortunately one can never know how successful it could be when applied to a different sample of individuals without a randomised assessment as described above.

4. Conclusion

The Norwegian Qualification Programme shares the main objective as recent actions taken in Cyprus aimed at assisting public assistance recipients to become independent from state support through their integration in the labour market. Therefore, Cyprus can learn from some novel and highly promising features of the Norwegian programme such as the engagement of participants in full-time activities imitating labour market participation, the use of appropriate incentives and selection criteria for programme participation, and the combination of work training/experience with social integration actions that are tailored to the needs of the individual.

It is by no means certain, however, that transferability of the Norwegian programme to Cyprus will have enough positive effects to balance the additional cost of the above features without some preliminary actions to prepare the ground for successful implementation. In particular, individuals with severe disability and mental/physical problems should receive benefits other than public assistance so that labour market participation programmes can target only those physically able to work. Furthermore, pursuing measures promoting social and labour market integration jointly and tailoring actions to individual needs requires social welfare officers to undertake training and adapt to new tasks, some entailing (re)organisation of the Social Welfare Services themselves. Along with these, more emphasis is required on preparing the ground for long term monitoring/assessment, together with continuous support and incentives for both the public assistance recipients and their prospective employers.

It is our opinion that the impact of the Norwegian Qualification Programme is difficult to assess in the absence of quantitative indicators benchmarking the situation at the start and completion of the programme. It is even more difficult to know its effects when applied to a different country because the information drawn for its assessment is not randomised.

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