



Double activation and the governance of employment services?

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'Activation turn' in
social policy

Twin tracks of welfare reform in Ireland

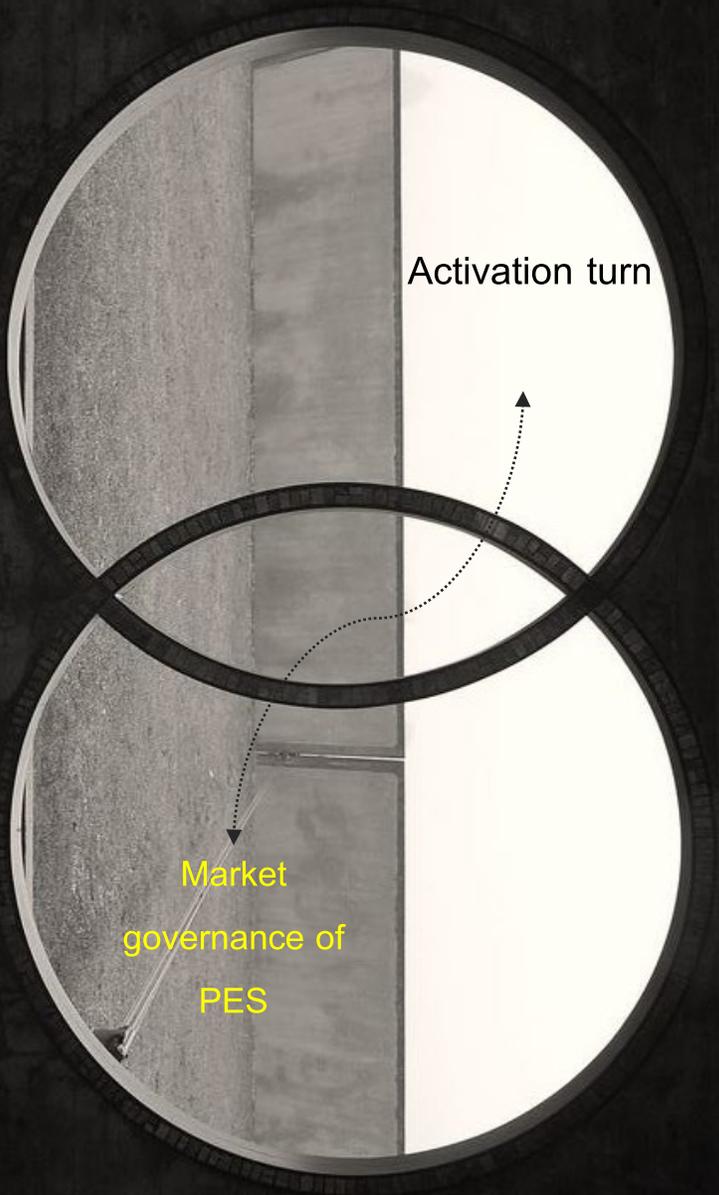


Governance reforms of
operational services



- Reforms to enhance service efficiency often seen in isolation from substantive policy shifts: HOW rather than WHAT policies are delivered
- But SLB field shows 'the practical is political' (Brodkin 2013)



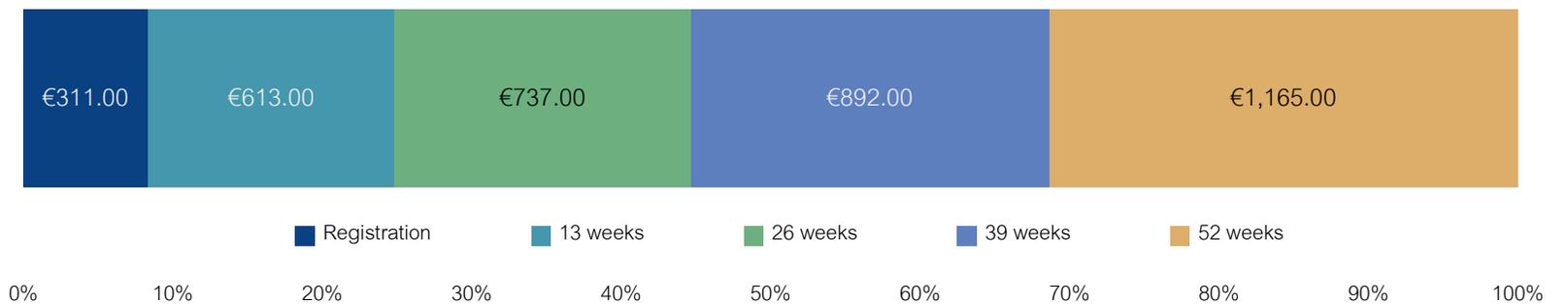


- Irish experience of marketisation following turn towards ‘activation’ well trodden internationally (e.g. Australia, UK, DK, NL and US)
- Pragmatically, privatised implementation structure may be facilitative of ‘work-first’ (Bredgaard & Larsen 2007; Soss, Fording and Schram 2011)

But also deeper shared conceptual commitments

Commodification:

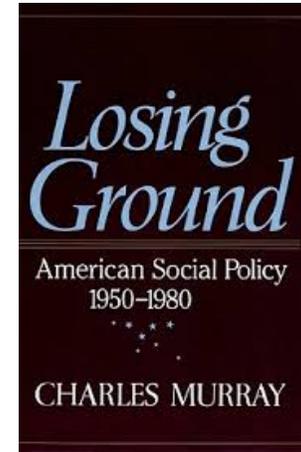
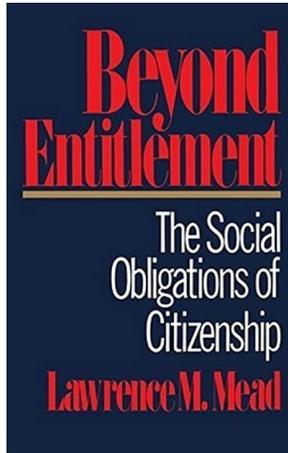
- Job-search conditionality commodifies claimants by compelling them to participate in labour market and sell their labour
- PES quasi-markets extend this process of ‘administrative recommodification’ by **configuring an intermediary market** whereby claimants surplus labour can be acquired by third parties, refined, and sold-on for profit



Av. Potential Payment per JobPath participant (DEASP, 2019: 18)

Shared theory of agency and motivation

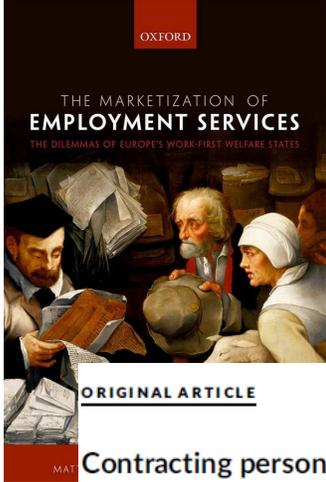
- Both diagnose agency problem in relation to welfare and administrative subjects,
- Source of unemployment located in misalignment between environmental incentives and agents' self-interest.



- Marketisation motivated by Public Choice economics and Principal-Agent theory
- Policy failures become fault of public service workers and fact that those policies 'did not serve the self-interest of the people' delivering them (Le Grand, 2010: 60).
- Contractualise principal-agent relationship: performance incentives (PbR, competition for contracts, etc.) can align private interests of market actors with policy goals.

Activation turn

Market
governance of
PES



public administration WILEY

ORIGINAL ARTICLE

Contracting personalization by results: Comparing marketization reforms in the UK and Australia

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Abstract
 Market instruments are increasingly used to drive innovation and efficiency in public services. Meanwhile, many governments recognize the need for services to be more personalized and 'user-centred'. This was a key aim of major

Attractiveness of outcomes-based contracting for commissioners?

- Shifts responsibility and risk from state to market and civil society
- Commissioners (in principle) only pay for 'what works'
- Competition for clients and contracts should motivate providers to innovate, and deliver more personalized services

But series of inbuilt tensions

Service Investment (Price/Risk v. Quality)

Status quo bias: 'No cure, no payment' drives standardized, 'tried and tested' approaches because they are less risky

Long-term investments in integrated approaches hampered by short-time horizon for realizing payments

Siphoning quality: Competing on price may squeeze quality; key concern is impact on profile of frontline workforce

Access (Equity v. Performance-pay)

For jobseekers: Danger of services being narrowly targeted on those perceived as more lucrative clients

For providers: Smaller, NFPs excluded by capital / borrowing constraints to take on level of risk

Danger of market consolidating around small group of 'insider firms' who target 'easier-to-help' clients

De-skilling and standardisation of PES frontline – evidence from Australia

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Quasi-Markets and Service Delivery Flexibility Following a Decade of Employment Assistance Reform in Australia

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WORKFORCE CHANGES	1998	2008	2016
• % of PES staff who hold a university degree	39.2	23.7	25.6
• ... who are under 35 years of age	28.5	42.3	43.2
• ... who are union members	44.2	6.8	3.0
• Mean caseload (number of jobseekers per case manager)	115	94	148
STANDARDISATION OF SERVICES			
• When it comes to day-to-day work I am free to decide for myself what I will do with jobseekers (% 'agree' or 'strongly agree')	84.6	62.5	49.6
• 'Our computer tells me what steps to take with clients/jobseekers and when (% 'agree' or 'strongly agree')	17.4	47.4	48.3
• Decisions about jobseekers determined by standard program rules	56.9	71.7	84.9
• Extent agency emphasises client CHOICE about services (% a 'good' or 'great deal')	40.3	29.1	32.4
• Jobseekers' preferences influential in determining what activities are recommended ...? (% 'quite' or 'very' influential)	82.9	58.9	68.9

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Locked-in or Locked-out: Can a Public Services Market Really Change?

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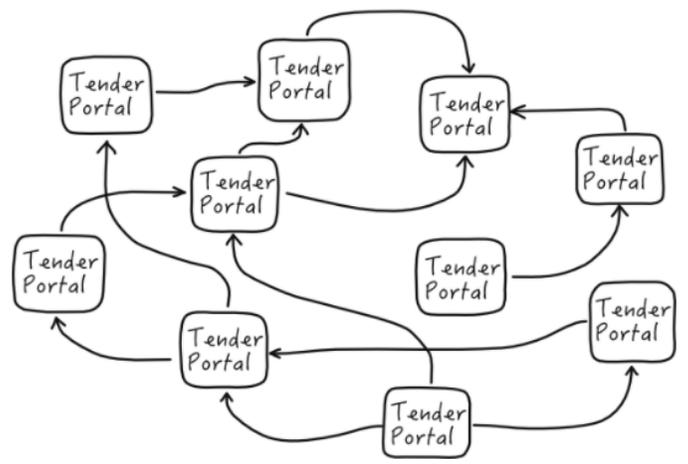
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"Where do I start?"



The 'inescapable problem' of transaction costs

- To mitigate concerns about embedded incentives towards cost-cutting and unequal targeting of services, governments must repeatedly intervene to regulate and monitor the market
- This market regulation generates large transaction costs for both providers and the purchaser
- Furthermore, to maintain competition, the purchaser needs to continuously generate new tendering processes that similarly result in high transaction costs
- Unavoidable tension emerges 'between the extent of the transaction costs and the intensity of competition' (Struyven and Steurs, 2005) that cuts against the overall efficiency of PES quasi-markets.

Research agenda on PES marketisation in Ireland

- Ireland's mixed-economy of activation provides an opportune natural 'policy experiment' to test key hypotheses and questions regarding the market governance of activation
- To what extent do the service delivery models and workforce practices of providers commissioned via outcomes-based contracting differ from those of public provider and community-sector providers?
 - Profile of staff (age, occupational background, qualification levels)
 - Perceptions and attitudes of staff towards clients – do we see differences in how street level organisations and frontline staff understand 'the problem' of unemployment?
 - Differences in 'work-first' versus human capital development orientation of providers
 - Evidence of greater scope for staff to offer more flexible and individually tailored services, versus standardised case management approaches scripted by decision-management systems

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For further details visit: <https://activationinireland.wordpress.com/>



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