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Work First and the prospects on the labour market

Research into the effects of Work First in the Netherlands

Research carried out to Research voor Beleid for the Raad voor Werk en Inkomen

The Council for Work and Income is the consultation agency of employers, employees and municipalities in the Netherlands. Primary role is to submit proposals to the government and other parties concerning the broad area of work and income. Aim of these proposals is to stimulate a well functioning labour market. Increasing transparency and improving quality in the reintegrationmarket also belongs to the core functions of the Council for Work and Income.

Februar 2008

Foreword

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Local authorities in many countries are experimenting with Work First as an instrument to help social assistance claimants to find work. A distinctive feature of the Work First approach is that in return for active counselling and support from the municipality the participants are required to perform work. At the end of the 1990s, this model proved successful in Wisconsin in the United States and Farum in Denmark.

Work First was introduced in the social security system in the Netherlands in 2000. A new law adopted in 2004 greatly accelerated the adoption of the concept. Since that time, municipalities have had the financial resources and the policy freedom to design the programme as they see fit. To a certain extent, the law created a laboratory environment for Work First. Today, more than 80% of the municipalities in the Netherlands have some form of Work First programme.

The Council for Work and Income commissioned this study to identify the different types of Work First schemes that exist in the Netherlands and to identify the conditions under which Work First programmes work best as an instrument for improving the position of benefit claimants in the labour market. Because of the rapid expansion of Work First programmes in the Netherlands and the wide variety of models employed, the findings in this study could also prove useful for policymakers in other countries. Passages have been inserted throughout the text to help explain the social security system in the Netherlands for an international readership. A glossary of important terms is also included at the end of the report.

Research voor Beleid carried out this study between April and November 2007. This report is based on a study of relevant documents and case studies of six local projects. The authors also conducted a telephone survey of current and former participants in the six projects. The findings of the research were evaluated in two workshops in light of the experiences of other municipalities before being chronicled in this report. These workshops were attended by policy officials and representatives of the implementing agencies.

We would like to thank the local authorities and the reintegration agencies for taking the time to help with this study. We would like to thank Divosa for providing data from its national benchmark of Work First programmes relating to the case studies in this report. I would also like to sincerely thank the members of the review committee, Sjaak Koehler (Council for Work and Income), Bert Doek (Council for Work and Income), Gerrit Jan Schep (StimulanSZ) and Hanne Overbeek (Divosa) for their helpful and constructive feedback.

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deputy President Council for Work and Income

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PART 1 MAIN REPORT

Summary

Background

A growing number of countries are following the example of the United States and introducing local forms of Work First. The new models are inspired by the successful approaches adopted in Wisconsin (US) and Farum (Denmark) but have been tailored to local conditions and insights. What all the programmes have in common is that local authorities demand that people claiming social assistance should do something in return. To receive a benefit, claimants are therefore required to perform work. Meanwhile, the local authority provides them with the support they need to return to the labour market.

The popularity of Work First has grown enormously in the Netherlands since 2004. More than 80% of the country's 443 municipalities now have a Work First programme. Local authorities have considerable discretion in the design of their own programmes and there is consequently a wide variety of local schemes.

The Council for Work and Income commissioned this study to investigate what variants of Work First are used in practice and to identify the conditions under which Work First will have the greatest impact as an instrument for improving the labour market position of social assistance claimants. The main objective of this study is to allow Dutch municipalities with a Work First programme to learn from each other's experiences, but the findings could also prove helpful for municipalities that are still considering whether to introduce a similar scheme.

In view of the widespread introduction of the Work First concept and the great diversity of the programmes, this study could also be interesting from an international perspective. Although the conditions in the Netherlands naturally differ from those in other countries, by and large the issues facing local authorities are the same everywhere. What target group will be helped most by Work First? Should the municipality be involved in the actual implementation of the programme? Should the work be provided by genuine employers or in a simulated working environment? Should the emphasis be on sanctions or on practical support? These are the issues addressed in this report.

Policy context in the Netherlands

Work First was introduced in the Netherlands in 2000. In the early years there was some modest experimentation with the concept. Because municipalities could at that time reclaim the costs of benefit payments from central government they were under no immediate financial pressure to reduce the number of benefit claimants in their own area. Local authorities also felt constrained in what they could actually do by national legislation.

The situation changed dramatically with the introduction of the Work and Social Assistance Act. This law totally altered the political landscape. Since 2004 local authorities have been fully responsible for the funding and implementation of policy for so-

cial assistance recipients in their municipality, unlike other benefit schemes for the unemployed which are still financed by the national government¹.

The Work and Social Assistance Act gave municipalities considerable freedom to formulate their own policy in the area of work and income. It also relaxed the reporting requirements vis à vis central government. The act also contained a financial incentive by providing that municipalities would no longer be able to recover the costs of social assistance from the national government. Instead, they would receive a fixed annual grant made up of two components: social assistance benefits are paid from the first component (known as the income portion), while the local authorities can spend the second component (the work portion) as they see fit on measures to help benefit claimants to find work.

Municipalities have to make up any deficits on these budgets (up to a certain limit) from their own resources. In principle, any surpluses in the work portion of the grant are refunded to central government but municipalities can spend any surpluses in the income portion at their own discretion. This system encourages them to spend as much of the work portion of the grant as possible while minimising the costs of benefit payments. In other words, the new law gave municipalities a financial interest in reducing the number of claimants and keeping the costs of benefit payments to a minimum.

Municipal policy is now, more than ever, aimed at preventing new claims for benefits and moving existing recipients off benefits. One of the ways in which local authorities have tried to achieve this is by adopting the Work First principle. Work First is a programme specifically designed to help clients on social assistance to find work. A central feature of the programme is that benefit recipients are obliged to work.

Municipalities determine most of the practical details of their Work First programme (target group, types of activity, training, the working week, etc.) themselves. They can also decide for themselves who will implement the programme. In 2002, municipalities were still obliged to subcontract all reintegration activities to agencies in the private sector but they can now decide to manage all or part of the programme themselves.

Approach and statement of the problem

Earlier research (Divosa, 2007) has shown that Work First helps to reduce the costs of benefit payments. However, the fact that a person is not claiming benefits does not mean they have found permanent employment. This study focuses on the conditions under which Work First helps to improve the chances of participants in the labour market.

¹ They include the *Wajong* benefit for disabled young people and unemployment benefit for people whose employment history makes them eligible for it.

This study addresses the following central questions.

- 1 What different approaches are actually employed in the Work First programmes?
- 2 To what extent is it the intention of municipalities to improve the labour market position of clients through Work First?
- 3 What are the effects of Work First programmes, particularly with respect to improving the position of the unemployed in the labour market?
- 4 Under what conditions does Work First improve the labour market position of the unemployed?
- 5 Under what conditions does Work First lead to an improvement or deterioration in the labour market position of the unemployed?

To answer these questions it was decided to adopt a qualitative approach, with extensive case studies in six municipalities where the Work First programme is already beyond the pilot phase: Eindhoven, Alphen aan den Rijn, Hoorn, Meppel, Alkmaar and Oss. Interviews were conducted with municipal policy officials and case managers in the municipalities. Representatives of the relevant reintegration agencies and companies offering sheltered work were also interviewed as well as a number of employers and participants in the programmes.

The case studies were selected on the basis of an Internet survey of 146 heads of municipal social services conducted for the Council for Work and Income by Research voor Beleid in January 2007. They were asked, among other things, which instruments they used most frequently for clients who had been receiving social assistance for longer or shorter than one year respectively. On the basis of the responses, exploratory interviews were held with fourteen municipalities. The six case studies actually used were chosen following these interviews and the discussion of them in the review committee.

A telephone survey was also conducted among 75 current and former participants of the six projects. The main findings were then evaluated in two workshops which addressed both the policy and its implementation.

Diversity of approach

The key to the Work First programme in every municipality lies in a combination of compulsory work activities (and the threat of sanctions) and measures to increase the participants' knowledge and skills. The practical details of these two elements differ from one municipality to another. One explanation for the diversity lies in the highly diverse local conditions, such as the situation in the labour market, the characteristics of the benefit recipients and the availability of local companies, either private or affiliated to the municipality, to implement the scheme. Local authorities also differ in their analysis of the problem to be addressed by the policy and what they consider to be the most suitable solution.

The primary aim of Work First programmes in the six municipalities covered in this study is to reduce the costs of social assistance benefits. Improving the position of the participants in the labour market will help to achieve this but is not a separate objective for the local authorities. The schemes are often initially targeted mainly at clients for whom mediation is most likely to prove successful or new benefit claim-

ants, for whom the programme is intended to provide a final push into work. On the other hand, some local authorities argue that members of this target group will probably find work quite easily anyway, even without Work First, and therefore tend to think that the Work First approach is mainly useful for the 'middle category of clients', that is those clients who are neither easy nor very difficult to mediate for. In these municipalities there are therefore calls to exclude the clients with the best job prospects from the programme, at least initially.

Performing work is a central feature of Work First programmes, although the number of hours worked and the nature of the work varies. There are important differences in the working environment (regular work or a simulated environment), the implementing agency (a sheltered work company or reintegration agency) and the remuneration model (a wage or retention of benefit). There are two main variants in terms of organisational structure. The case studies show that for promising groups municipalities often use reintegration agencies to place clients with regular employers where they are paid the minimum wage and receive little intensive supervision. Clients that have been receiving benefits for some time are more commonly placed with a sheltered work company, where they retain their benefits and clearer agreements are made on what is required of them and they receive intensive supervision. The additional problems of this group also call for a more integrated approach.

Just as the type of work performed differs from one project to another, so does the nature and scale of the effort to increase the competences of the participants (capacity building). There are however limits to what is done to improve the participants' position on the labour market. Little long-term training is provided. Training and courses are usually short and practical in nature. For example, some participants are given a computer course. Professional training is usually only provided for people who have been guaranteed a job. In practice, capacity building is mainly limited to removing obstacles (debt counselling, child care, transport) and teaching specific skills, not only employee skills but also skills that will help participants to find work.

Effects

The impact of Work First can be expressed in two ways. One benchmark is the change in the number of people receiving social assistance benefits. A local authority may also ask itself whether the approach improves the situation of the participants on the labour market. There are limitations to both criteria. The disadvantage of using the number of benefit recipients as a benchmark is that it is difficult to attribute a change directly to the impact of Work First. Other policy measures and local conditions also play a role. The second benchmark, the position of the participants on the labour market, cannot be expressed numerically. The extent to which their position on the labour market has improved is a subjective opinion of the individuals concerned.

The local authorities are satisfied with the results they have achieved in terms of reducing the number of new benefit claimants and getting more people off benefits and into work. Their satisfaction is based partly on the actual statistics they collect about the programme and partly on perceptions. Actual figures on the number of new claimants and benefit recipients who have found work are not always available at

project level, which is a particular problem if Work First is not the only instrument used. What is clear is that the total costs of benefits for the municipalities in the study have been reduced quite substantially. The trend in the number of claimants in municipalities with Work First programmes is evidence that the programmes are effective in reducing the costs of benefit payments.

Participants and the agencies that implement Work First programmes are reasonably satisfied with the approach. The mildly positive assessment of Work First by clients is particularly interesting since the effect of the programmes is assumed to derive partly from the negative incentive arising from the requirement to perform work. One reservation that has to be mentioned is that the so-called 'drop-outs' were not questioned. The negative incentive may well be a factor for people who withdraw their request for social assistance. However, it is not decisive for those who actually participate in the programmes. The majority of the participants (56%) enter the programme in a positive frame of mind. The majority also remain positive while they are taking part in the project: 55% of the respondents enjoy/ enjoyed the work and 80% always or usually go or used to go with pleasure to the project.

Nevertheless, the local authorities in the study agree that simply providing work (using Work First to 'bully' claimants) only works for a small number of people. Over-emphasising the capacity-building element is also not the ideal solution, according to the municipalities. Apparently, it is the combination of positive and negative incentives that is decisive.

Of the clients that were interviewed 41% felt they had a better chance of securing a paid job as a result of the project. Half of the participants who did find a job believe they would not have done so without participating in the project. That is a positive conclusion. Consultants believe that the added value lies not so much in capacity building but rather in changing the mentality of the participants. According to them, some new benefit claimants want to work but lose their motivation after being rejected by a number of employers. The consultants therefore feel that the major challenge is to adopt a positive approach and strengthen the self-confidence of the participants. Practical support should be devoted mainly to providing them with the specific skills they need to find work.

Apart from teaching competences (practical skills) and bringing about a change of mentality (interest in work), the work activities also have an impact on basic employee skills, which include aspects such as adapting to working routines, cooperating with others, rolling your sleeves up, arriving on time, working for a boss, personal hygiene, etc. Although these skills will not in themselves enable participants to find work, they will not find work without them. Many clients do not possess these qualities at the start of the project.

Success factors

Work First programmes are successful if they improve the match between what the client can offer and what the employer needs. The conditions for achieving this are divided into four critical factors: targeting the client, the municipality's organisational culture, collaboration within the chain and lastly, the step to work.

As regards **targeting the client**, factors identified in this study include prompt action, intensity, clear communication and a made-to-measure approach. Intensity and a made-to-measure approach are becoming steadily more important now that, due to the increased efforts of municipalities and the economic upturn, most of the clients with the best prospects have found work. This partly explains why over time the emphasis in many projects has shifted to capacity building. Local authorities will soon have to concentrate even more on capacity building to improve the position on the labour market of the weaker clients and to help them find permanent work.

Successful introduction of Work First calls for a **change of culture** in the municipality. In many municipalities the programme was devised as just one of the instruments used to help people to find work, thereby creating the risk that the programme is delegated almost entirely to the implementing agency. This can cause problems precisely because Work First is essentially not just an instrument but also a policy philosophy. To implement the programme effectively the municipality's entire organisation must become more professional and make the transition from a focus on the process to a focus on results, from doing what is legally required to what is effective, from being a care organisation to becoming a commercial service, from being a benefit factory to becoming a mediator. Work First demands short lines of communication, transparent work processes, clear codes of conduct and centrally shared information in the local authority. The municipalities in this survey are all working towards this at the moment but there is clearly still room for improvement.

Apart from a well-oiled municipal organisation, Work First also calls for **collaboration within the chain**. Clear agreements should be made in advance. Since it is impossible to document every conceivable situation in advance it is also important to try to keep lines of communication short and remove obstacles to cooperation. This enhances the trust between the partners and prevents misunderstandings and conflicts. In this context, it is important for the municipality to direct the process. The collaboration also benefits from close physical proximity between the partners in the chain. Many local authorities already have offices in small business centres or have plans to move into one.

The final success factor is the **step to work**. To get more people off benefits it is important that clients are not only better equipped for the labour market but that they actually take the final step to work. The contracts with sheltered work companies and reintegration agencies include incentives to achieve this. Officials involved in several of the projects feel, however, that the Centre for Work and Income (the government agency responsible for reintegration) and the local authority itself could play a more prominent role in this regard. Municipalities are still too inclined to see the labour market situation as a black box. The implicit reasoning is that lowering or

removing obstacles will automatically increase the benefit claimant's chances of finding work.

However, to improve the match between supply and demand it is also important to know whether, and under what conditions, employers are willing to hire the participants in the Work First programme. Employers ultimately have a decisive role in the placement of clients and municipalities are well-advised to actively involve them in reintegration. Since the projects in the case studies have progressed beyond the pilot phase they are starting to involve employers in a coordinated fashion. The question is to what extent this can still be regarded as part of Work First. Nevertheless, the study does show that a broad strategy, which also embraces employers, may ultimately get more people off benefits than an approach solely designed to increase the motivation and competences of the clients.

Glossary of terms

Capacity building: Activities designed to increase the knowledge, skills and motivation of clients with a view to increasing their employability.

Centre for Work and Income (CWI): The government agency responsible for reintegration. The CWI provides mediation in staff recruitment and information about the labour market for employers. It helps job seekers to find work or apply for unemployment benefit. The CWI also issues permits for the dismissal of employees and work permits to employers and is a source of information about labour law.

Chain partners: A collective term for the CWI, the UWV and the municipal social service.

Costs of benefits: The costs incurred by municipalities for social assistance and other benefits.

Council for Work and Income: A consultation agency of employers, employees and municipalities. The Council makes proposals to the Ministry of Social Affairs in the field of work and income. The aim of this is to improve the functioning of the labour and reintegration market.

Divosa: The Dutch national association of managers of municipal services responsible for work, income and social welfare.

Employer strategy: A coordinated strategy by the CWI and/or the municipality to persuade employers in the region to provide jobs for benefit claimants.

Implementing Organisation for Employee Insurance Schemes (UWV): The UWV decides whether an employee is entitled to a benefit under a number of premium-based insurance schemes for employees. Social assistance is not one of them. The UWV determines the amount and the duration of the benefit and pays it. Part of the UWV's task is to promote efforts to ensure that people remain in work or find a job.

Income portion: The part of the annual work and income grant paid to municipalities that is used to pay the costs of benefits. Local authorities have to make up any budget deficits from their own resources and can spend surpluses at their discretion. See also Work portion.

Reintegration agency (RIA): A private for-profit company to which local authorities can subcontract some or all of their activities to help benefit claimants return to the labour market.

Research voor Beleid: Dutch institute for policy research. The institute conducts research on policy issues and assists in decisionmaking in the political, industrial and administrative spheres.

Sheltered work company: A non-profit company set up by the municipality to provide a working environment where people with a psychological, physical or social handicap can perform work adapted to their impediment. Sheltered work companies are financed mainly by the national government, which provides a subsidy for every place they provide. Municipalities may opt to delegate the implementation of a Work First programme to such a company.

Small business centres: An office centre jointly occupied by the CWI, the UWV and the municipal social service.

Social Service: The municipal department responsible for implementing the Work and Social Assistance Act.

Social assistance benefit: A benefit paid on the basis of the Work and Social Assistance Act.

StimulanSZ: An independent, non-profit organisation founded by the Association of Netherlands Municipalities and Divosa to support professionals and non-professionals working in the fields of employment, income, housing, health care and quality of life.

Work portion: The part of the annual grant paid to municipalities that is used to finance the costs of reintegration. Local authorities must make up any budget deficits themselves. In principle, any surplus is returned to central government although part of the grant can be carried over to the following year if it is not spent. See Income portion.

Work and Social Assistance Act (WWB): An act introduced in 2004 (to replace the General Social Assistance Act), which provides a safety net for unemployed persons who do not have the capital or other income to support themselves. The act made local authorities responsible for financing and implementing policy for the social assistance claimants in their municipality. Benefit applications are made to the CWI and benefits are paid by the municipality.

Unemployment benefit (WW): A social insurance benefit for which every employee pays premiums and which is intended as a safety net for unemployed persons whose work history meets the criteria. Applications for the benefit are made to the CWI and the benefit is paid by the UWV.

1 Aim and structure of study

1.1 Policy context

Since the introduction of the Work and Social Assistance Act in 2004, local authorities have been fully responsible for the funding and implementation of policy for social assistance recipients in their municipality. They can no longer claim reimbursement of the costs of benefit payments from central government. Instead they receive a grant each year made up of two components. The first component (the income portion) is used to cover the costs of social assistance payments (the income portion). The second component (the work portion) can be used for measures to help benefit claimants to find work and can be spent as the local authority sees fit. Before the Work and Social Assistance Act, municipalities were under no financial pressure to reduce the number of local benefit claimants. Municipalities also felt constrained in what they could actually do by the national legislation.

The new legislation does give the municipalities an incentive, since they have to make up any deficits (to a certain limit) on the work and income budgets themselves. In principle, surpluses in the work portion of the grant are refunded to the central government and the municipalities can spend surpluses on the income portion of the grant as they see fit. This encourages them to use as much of the work portion as possible and to keep the costs of benefits to a minimum. In other words, the act has given local authorities a financial interest in minimising the number of benefit claimants in their own municipality.

In addition to the financial incentive, the Work and Social Assistance Act has also given municipalities considerable freedom to formulate their own policy on work and income. It also relaxed the reporting requirements vis à vis central government. The result is extensive decentralisation and deregulation in the domain of benefits. It is important to note, however, that these changes do not apply for all benefits, since central government is still responsible for benefits awarded under acts such as the *Wajong* (for young people with disabilities), the Work and Income according to Labour Capacity Act (for people who are incapacitated for work) and the Unemployment Benefits Act (for the jobless whose recent work history entitles them to unemployment benefit).

All in all, municipal policy is now, more than ever, aimed at preventing new claims for benefits and moving existing recipients off benefits. One of the ways in which local authorities have tried to achieve this is by adopting the Work First principle. Work First is a programme specifically designed to help benefit recipients to find work. A central feature of the programme is that benefit claimants are obliged to work. To maximise their chances of finding a job new claimants start work immediately. In an-

ticipation of follow-up activities, they may also be offered training or a programme in combination with work.¹

The number of municipalities offering a Work First programme in one form or another has risen spectacularly. In 2006, 80% of local authorities said they would systematically adopt Work First.² That percentage is likely to be even higher now. Municipalities have been given and have taken considerable liberty in how they put Work First into practice. The central government did not issue any blueprint or guidelines for the design of a Work First programme. The local projects have therefore developed largely independently of each other. There is little in the way of a common theory, approach or definition. Policy innovation is generally a process of trial and error. Similarly, the Work First programmes have also evolved as they went along in light of practical experience. Consequently, there can be significant differences between the various programmes.

Work First is already beyond the pilot phase in some municipalities. However, with the diversity of local schemes it is still largely unclear what the effective components of the approach are and under what conditions those components will actually increase the participants' chances of finding work. This study arose from the need to learn more about these aspects.

1.2 Objective and research questions

The Council for Work and Income commissioned this study to identify the various types of Work First programme that occur in practice and under what conditions Work First will be most effective as an instrument for improving the labour market position of social assistance benefit claimants. The central research questions in the study are:

- 1 What different approaches are actually employed in the Work First programmes?
- 2 To what extent is it the intention of municipalities to improve the labour market position of clients through Work First?
- 3 What are the effects of Work First programmes, particularly with respect to improving the position of the unemployed in the labour market?
- 4 Under what conditions does Work First improve the labour market position of the unemployed?
- 5 Under what conditions does Work First lead to an improvement or deterioration in the labour market position of the unemployed?

¹ StimulanSZ (2005), Work First op instrumenteel niveau, The Hague.

² See the WWB Monitors 2005 and 2006, commissioned by Divosa.

1.3 Structure of the study

Since the introduction of the Work and Social Assistance local authorities have focussed heavily on minimising the costs of benefit payments. Quantitative research by Divosa (Sol, Castonguay, van Lindert and van Amstel, 2007) has shown that Work First contributes to achieving that objective.¹ However, the fact that fewer people claim social assistance says nothing about the number of people actually finding permanent employment. It is also possible that people do not apply for social assistance even though they have not found a job. Some may also repeatedly claim social assistance after short periods of temporary work and/or after claiming other benefits. A specific example of the latter case is an individual who has worked for six months or more for a regular employer who is then entitled to unemployment benefit. If the individual concerned does not find another job before that entitlement lapses he will have to claim social assistance again. The question is whether a Work First programme increases these people's chances of finding a job.

This study focuses on the degree to which the position on the labour market of participants in Work First improves. The impact of the Work First approach on the labour market position of the participants cannot be measured by a questionnaire. To identify the conditions under which their situation improves we also need to know how Work First works in practice and the reasons for positive and negative experiences.

It was therefore decided to carry out a qualitative study. The research method involved a brief consultation of existing sources, case studies of six projects and an internet survey of current and former participants in those projects. The principal findings were then evaluated in two workshops, which were attended by policy assistants and representatives of the implementing agencies. The different stages of the study are briefly described in the following sections.

Phase 1 Desk research and selection of case studies

The first phase of the study involved a brief literature scan. A list of the principal sources consulted can be found at the end of this report. The information from those sources was also used in the analysis and is referred to at various points in this report.

The most important aim of the initial phase of the study was to select six case studies for further research. To make this selection Research voor Beleid conducted an internet survey of 146 heads of social services for the CWI at the beginning of 2007. The survey covered a wide range of subjects. Among other things, the respondents were asked which instruments they used most frequently for clients who had been claiming social assistance for longer and for shorter than a year respectively. They were also asked whether they would be interested in taking part in a further study. A total of 71 municipalities were both willing to do so and said that they frequently used Work First.

¹ Sol, E. et al, *Work First werkt, Op weg naar evidence based-work first*, Utrecht, Divosa, 2007.

The case studies were arranged by target group, size of municipality and CWI district. On the basis of this classification, telephone interviews were conducted with 14 local authorities to learn more about their Work First programmes. Among the topics discussed were the form of payment to participants, the working environment, the degree to which capacity building is a component of the programme and whether the scheme is implemented by a reintegration agency or a sheltered work company. The municipalities were again asked whether they would be able to spare the time and energy to take part in the study. Following the interviews and the discussion of the conclusions by the review committee, six case studies were ultimately selected:

City	Project name
Eindhoven	Direct Werk
Oss	Werkende Weg
Hoorn	Werk Direct
Alkmaar	Werk Boven Uitkering, Focus2Move
Meppel	Werk Nu
Alphen aan den Rijn	Alphense Activerende Aanpak (A3)

Phase 2 Case studies and telephone questionnaire

To find answers to the research questions extensive interviews (preferably face-to-face) were conducted with various stakeholders in the six municipalities. Depending on the specific nature of the local scheme, interviews were held with the municipal project managers and case managers as well as managers, consultants, work supervisors and/or trainers of the local implementing agencies (reintegration agencies and/or sheltered work companies), and finally with some participants and employers. We also studied relevant policy documents (policy memorandums, work instructions, contracts, etc.) for each municipality.

The conclusions in this report are based primarily on the case studies. Descriptions of the approach taken in the various projects and the principal findings from them can be found in the six case studies in the appendices to this report.

Once the interviews were completed a sample of current and former participants in the projects were surveyed by telephone. The municipality of Hoorn declined to participate in this part of the study. A total of 75 interviews were conducted.

Phase 3 Workshops

When the case studies were completed the principal findings were evaluated in light of the experiences in other municipalities. The evaluation took place at two workshops. The first workshop involved officials from the implementing agencies (municipalities and reintegration agencies) and policy officials were invited to the second meeting. The workshops were organised around the themes of diversity in approach/objective, the effects of Work First and the conditions under which Work First can be successful.

1.4 Content of the report

In practice, Work First is a title that covers a wide variety of schemes. The first research question addresses that diversity. To be able to make judgments about the effects and the success and failure factors of Work First in general it is also necessary to understand what all the variants have in common and what distinguishes them from other forms of reintegration.

Before we can answer the research questions we therefore first have to establish what the key elements of Work First are and what their presumed effect is. To determine the conditions under which Work First is successful, we have to clearly define what we mean by 'successful'. Chapter 2 discusses the characteristics and principles of Work First from a theoretical perspective.

The answers to the research questions are given in the following chapters. Chapter 3 discusses the content and objectives of Work First programmes (research questions 1 and 2). The subsequent chapter considers the conditions under which Work First can improve the labour market position of job seekers (research questions 4 and 5). The effects and measurability of results are dealt with in chapter 5 (research question 3).

2 What is Work First?

2.1 Assumed affect of Work First

Local authorities can decide for themselves whether or not to introduce Work First and, if so, what form it should take. Since local conditions vary and policy is generally formulated independently of other local authorities, Work First programmes differ from one municipality to another. The differences are reflected in the policy vision, the choice of target group and most especially in the organisational structure of the programme. The enormous diversity of initiatives is discussed in chapter 3.

Despite the differences in local implementation, the philosophy and basic idea behind all the projects covered in this study are more or less the same. Taking Divosa's lead, we have distinguished two central elements which together form a common denominator for all Work First variants: the essential feature is the combination of positive and negative incentives. This is what distinguishes the Work First approach from Human Capital approaches (only positive incentives) and Workfare approaches (only negative incentives).

Until the late 1990s the **Human Capital** approach formed the basis, explicitly or otherwise, for many national and municipal reintegration policies. The underlying idea was that benefit recipients could not find work because they lacked the necessary knowledge and skills. In this approach the solution is sought in capacity building through education and training.

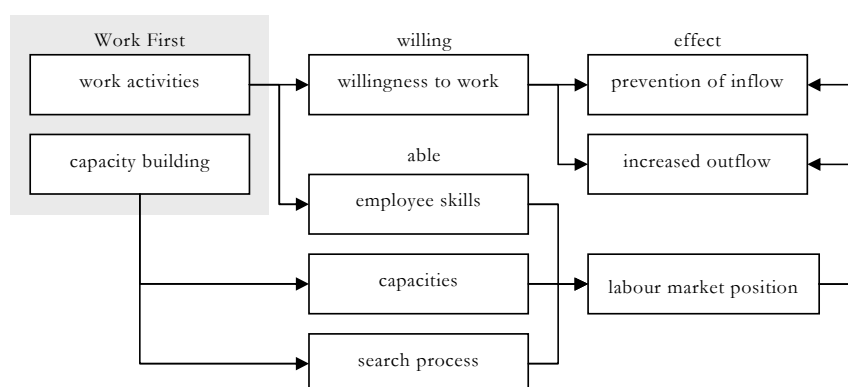
Workfare takes a different approach. The idea behind Workfare programmes is that the main problem is not so much that the participants lack the necessary qualifications as that they lack motivation. They must be encouraged to look harder for a job and this can be achieved with negative incentives in the form of mandatory work. A refusal to work leads to sanctions. But Workfare provides no direct answer to the question of how those employees who behave impeccably and regularly turn up for work for twenty hours a week are ultimately supposed find a real job (Divosa, 2005).¹ The implicit assumption is that the participants in the programme possess all the capacities needed to find a job for themselves (with the possible exception of the work routine) but will not do so without the prompting of (negative) incentives.

Work First differs from Workfare in that it employs both negative incentives (mandatory work with the threat of sanctions) and positive incentives in the form of capacity building. It differs from the Human Capital approach in that the activities are designed to increase the participants' motivation.

¹ Hilhorst, P. (2005) Essay: Machteloosheid van eigen makelij, Divosa, Utrecht.

Work First therefore combines the other two approaches and is therefore assumed to have two effects. For people who cannot work, the capacity-building elements ease the transition to the labour market by providing them with more knowledge and skills and help in looking for work. Simultaneously, the obligation to work encourages (potential) participants who are unwilling to work to look for a job. This reduces the number of potential new benefit claimants while encouraging clients who are already receiving benefits to find work. An indirect effect of the compulsory work is that the activities themselves can help in the capacity-building process by allowing participants to become accustomed to the routine of work, acquire general employee skills, etc. The following figure illustrates these effects.

Figure 2.1 Diagrammatic representation of Work First



Source: *Research voor Beleid*

The question is whether Work First works as the figure above suggests and, if so, which relationships are decisive. Is the nature of the work activities decisive or is it the degree of capacity building? Or is the combination of both essential? This figure will be referred to repeatedly in the course of answering the research questions.

Work activities

Although the nature and scale of the activities differ, work is central to all of the projects covered in this study. The length of the working week is 20 hours in Meppel and Eindhoven, 24 hours in Alphen aan den Rijn and 28 hours in Hoorn. Participation is mandatory. In Oss the participants work for a maximum of 36 hours a week according to the ‘pay for performance’ principle. They are not paid for the hours they do not work. Participants who fail to turn up are actually punishing themselves. The projects in the other municipalities impose sanctions. After one incident the participant is given a warning and is also usually visited at home. For participants who retain their benefits while working (as in Eindhoven and Alphen) repeated absence leads to a reduction of benefits, with temporary suspension of benefit payments as the ultimate sanction. In Hoorn, where some of the clients are employed directly by the local reintegration agency, dismissal is the most severe sanction.

Capacity building

There is also a certain degree of capacity building in the six projects in the study. In Alphen aan den Rijn the Work First programme commences with an intensive three-week training period. The participants attend the so-called A3 academy where they receive training, education and, if necessary, other forms of assistance for 24 hours a week. During the training the participants are taught various work-related skills such as how to present themselves, how to plan work, how to combine work and care, etc. In the other projects the work and training elements do not follow one another; instead the capacity building encompasses half a day or a day each week. The skills they are taught are generally of a practical nature: how to search for suitable vacancies, job application skills, exploring the job market, etc.

2.2 Other research

A lot of research has already been conducted into Work First. Divosa made a significant effort to quantify the effective elements of the approach in association with the University of Amsterdam.¹ Central to that research was a benchmark study of 49 local Work First projects. The research showed that Work First is successful in reducing benefit costs for municipalities. 33% of the potential participants decided not to apply for social assistance, while 45% of the participants found regular work. These results compare favourably with the national figures. The study then isolated a number of elements of the approach which are relevant for reducing benefit costs.

There are no national rules for the implementation of Work First, only frameworks. Various studies have tried to encapsulate the nature and added value of the approach. StimulanSZ distinguished seven characteristic features: intensive supervision, short-term work, a mandatory character, integrated services, a permanent case manager, a time limit to the activities and follow-up (StimulanSZ, 2005). The report also describes three practical manifestations of the programme. The 'gatekeeper approach' focuses on early mediation for clients who have not yet applied for a benefit. The 'programme approach' combines work with an integrated programme of activities tailored to the individual. The 'lock-in approach' is designed to help people who are ready to return to work to retain their experience and work routine. In organisational terms, StimulanSZ distinguishes between outplacement and inplacement.

Taking examples from the Netherlands and abroad, in other publications StimulanSZ has called for Work First to be more firmly embedded in a coordinated reintegration programme.² This also implies that local authorities should invest more in the weaker members of the social assistance population³ and would benefit greatly from integrating the local reintegration policies of the municipality, the CWI and the UWV (the implementing organisation for employee benefits).

¹ Sol, E. et al. (2007) Work First werkt, Op weg naar evidence-based Work First, Divosa, Utrecht.

² StimulanSZ (2003) Work First! (2) Van model naar praktijk, The Hague.

³ StimulanSZ (2005) Work First! (3) Van poortwachtermodel naar toaalconcept, Den Haag.

A qualitative study of incentives in the social assistance system by SEOR concluded that Work First is a relatively inexpensive (€ 1,300 to € 1,800 per participant) and effective instrument for putting the principle ‘work over income’ into practice.¹ Like other reintegration instruments, Work First seems to focus mainly on the most promising groups. In the face of the national trend, municipalities with Work First programmes often subcontract them. The programme often has a diagnostic function and is aimed at discovering the competences and qualities of benefit claimants.

The findings of the Inspectorate for Work and Income (IWI, 2007) concurred with those of the SEOR.² The inspectorate concluded that local authorities devote more than average attention to clients that are most likely to find work. A large-scale study again showed Work First to be the most effective reintegration instrument.

¹ Koning, J. de et al (2006) Het gebruik van prikkels in de bijstand. Onderzoek bij zes sociale diensten, Ministry of Economic Affairs, The Hague.

² IWI (2007) In the bijstand, and dan? Wat gemeenten doen aan activering van pas ingestroomde bijstandsccliënten, The Hague.

3 Diversity of approach

3.1 Local policy freedom

Essentially, Work First consists of a combination of compulsory work for benefit recipients (with the threat of sanctions) and measures to increase their knowledge and skills. As we saw in the previous chapter, the different municipalities adopt a wide variety of approaches in implementing these two elements in their Work First programmes.

The diversity in Work First programmes is partly explained by the significant differences in local conditions. In choosing a particular model municipalities consider factors such as the economic situation, the characteristics of benefit recipients and previous experience with local implementing agencies. Interviews with policy officials show that they also often differ in their analysis of the problem and the most suitable measures.

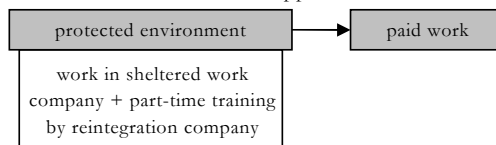
Work First programmes are based on both local factors and the policy analysis. In every municipality there is a tension between the desirability and the feasibility of a particular method. Municipalities must decide for themselves whether the structure they adopt will be dictated mainly by local conditions or by the idea behind the policy. While some municipalities opt for the approach that fits in best with the existing infrastructure, others adapt the programme's implementation to the policy idea.

Desirability versus feasibility

The tension between Work First as a policy idea and Work First as a practical choice is clearly illustrated by contrasting the organisational structures in Alphen aan de Rijn and in Meppel. Figures 3.1 and 3.2 represent an attempt to illustrate the methods employed in these two municipalities.

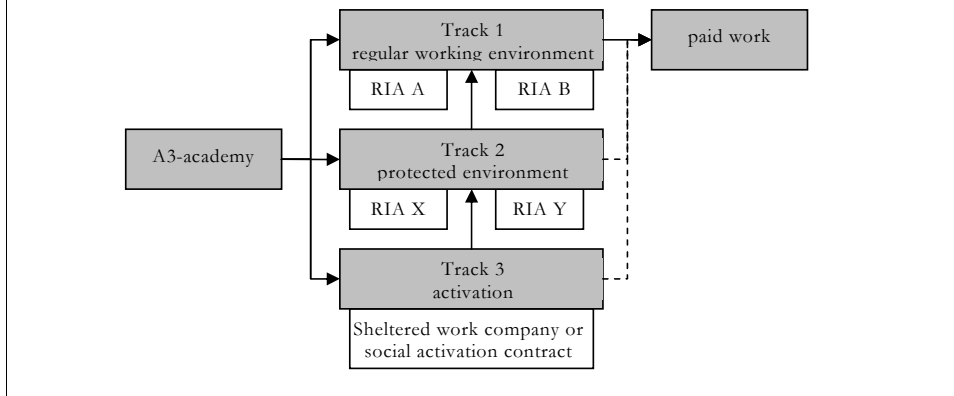
In Meppel the decision to work with the sheltered work company was taken mainly for practical reasons and was dictated by previous good experiences with this company. The sheltered work company initially provided training itself and only hired an external trainer when the difficulty of reconciling the positions of 'boss' and 'trainer' gradually emerged.

Figure 3.1 Diagrammatic representation of Work First in Meppel



The other extreme is the *Alphense Activerende Aanpak*, which was devised more or less on the drawing board. The programme starts with an intensive training period aimed at capacity building and increasing the participants' motivation. This phase of the programme also has a diagnostic function with a view to enabling the participant to be placed immediately in the reintegration 'track' best suited to his situation. The municipality decided to employ the services of two competing reintegration agencies (referred to as "RIA" in figure 3.2) to implement the programme for participants in the higher tracks (the participants most likely to find work) so that their performances could be compared. Each track in the programme lasts up to six months. On successful completion of a track a participant can move onto a higher track and eventually into a paid job.

Figure 3.2 Diagrammatic representation of Work First in Alphen aan den Rijn



The design of a Work First programme depends on local circumstances and a number of policy choices. The most important choices relate to what the municipality wishes to achieve with the programme and what its target group is. The municipality also has to choose an organisational structure. Once the target group and objective have been selected the municipality has to decide on the following aspects:

- Wage or benefit
- Simulated working environment or work with regular employers
- Sheltered work company or reintegration agency
- The degree of capacity building (courses and training)
- Whether to provide an integrated package of debt counselling, child care, psychological counselling
- Arm's length direction by the case manager or intensive supervision
- The duration of the programme.

The various options are discussed in the following sections. The topics covered are the objective, the target groups, the instruments actually used to improve the position of the participants in the labour market and the organisational structure.

3.2 Objective of Work First

Precisely what problem is Work First designed to resolve? There are various answers to this question. One reason for introducing Work First is to reduce the costs of benefit payments for municipalities. An alternative reason is to improve the chances of existing and potential benefit recipients of finding a job. These two reasons overlap to a certain extent. They are linked by the assumption that improving the labour market position of clients will reduce the demand for social assistance.

Limiting the costs of social assistance (the costs of the number of benefits to be paid) was an important reason for many municipalities to introduce Work First. In that sense, the programme was mainly intended to reduce the number of new benefit claimants and increase the number of people moving off benefits and into work. The second research question in this study concerned the extent to which improving the labour market position of the participants was a specific goal for municipalities. From interviews with policy officials it emerged that strengthening the labour market position was not generally the main objective at the outset. They said an important reason for this was that since the introduction of the Work and Social Assistance Act municipalities are financially responsible for the benefit recipients in the municipality. Reducing the costs of benefit payments was therefore the main priority.

Particularly when Work First has just been introduced, municipalities concentrate heavily on reducing the number of new benefit claimants, the idea being that the greatest gains are to be made with this promising group. By assessing new claimants more strictly municipalities indirectly ensure that their labour market position does not deteriorate. In the first place they force (potential) claimants to make a greater effort to find work. On the other hand, by placing them immediately in a Work First programme they prevent the members of this group from slipping out of the routine of work.

Sooner or later, municipalities that launched a Work First programme as an instrument for reducing the number of new benefit claimants face the question of how participants in the project can make the transition from benefits to work. In the case studies and during the workshops it became clear that some municipalities gradually started to focus more on achieving a permanent transition to work and therefore shifted the emphasis to capacity building, not least because the 'easy groups' had already found employment, partly thanks to the favourable economic climate. To enable the remaining benefit claimants to find work a more long-term and intensive approach involving more than simple training in employee skills is required.

Nevertheless, the main objective is still either to prevent people claiming benefits in the first place or to enable participants to find a job and leave the project as quickly as possible. The extent to which the aim is to ensure the employment is permanent varies.

3.3 Target group of Work First

In the internet survey of 146 heads of municipal and inter-municipal social services conducted in December 2006 (see section 1.3) the respondents were asked which instruments they used most frequently for clients who had been receiving social assistance for longer or shorter than a year respectively. At that time, 24% of the respondents frequently used Work First programmes for longer-term benefit recipients,

while 66% often used the method for new claimants.¹ Municipalities that use Work First for existing benefit recipients often also use it for new claimants.

Municipalities in the Netherlands classify benefit claimants according to the likelihood that they will be able to find work. The classification is also a factor in the reintegration programme that is chosen. The most common classification systems use four phases or two routes. Clients in phase 1 have good prospects of finding work and mediation efforts can start immediately. Clients in phases 2 and 3 face impediments which first have to be removed. Clients in phase 4 are not yet ready to start a regular job. The alternative classification arranges clients into routes A and B. In route A (“can work”) the emphasis is on applying for jobs; in route B (“cannot work”) the priority is to remove obstacles. Some municipalities further subdivide route A into A1 (few if any obstacles) and A2 (some obstacles).

The choice of target group partly determines the approach. It is clear that there is no single policy theory behind the choice of target group for Work First. The respondents in the survey were asked whether Work First is equally successful for all target groups. This question produced widely varying answers. Some municipalities regard Work First primarily as a final push to help participants back to work. The reasoning suggests that the approach is mainly suitable for clients with the best prospects of finding work. At least initially, Work First seems to have been established in most municipalities for clients in Route A1 (Phase 1) and/or for new benefit claimants.² Divosa’s benchmark showed that the success rate of Work First in terms of the number of participants finding employment was particularly high for young people and new benefit claimants.

This does not automatically mean that choosing Phase 1 clients as the target group is in itself a condition for success since it can be assumed that members of this group would also find a job sooner than other target groups even without Work First. Some municipalities therefore argue that Work First is actually less useful for this target group. They feel that what is relevant is not so much the number of new benefit claimants and benefit recipients moving into work in each target group but rather whether Work First produces *better* results for a particular group than alternative methods of reintegration. Although there are no statistics to support this, various respondents in the municipalities studied (both policy makers and at executive level) tend to believe that clients in the ‘middle category’ derive the greatest added value from Work First programmes. The clients with the best prospects benefit mainly from active mediation and the most difficult groups from care programmes.

¹ They were not asked whether the municipality (or the consortium of municipalities) is familiar with Work First but whether it is one of the most commonly used instruments. At the time of the survey (December 2006), more than 80% of the municipalities had a Work First programme.

² Other research (e.g. StimulanSZ, 2005; SEOR, 2006; IWI, 2007) confirms the impression that municipalities initially choose new benefit claimants as the target group. Larger municipalities say that they often adopt an age limit in order to keep the number of programmes manageable.

Following this reasoning, the municipality of Eindhoven has decided that new benefit claimants in phase 1 will not be admitted to the Work First programme immediately. The city's New Clients Team may opt to keep clients with a good chance of finding work 'under their wing' for six months. Case managers in Hoorn can also do this. Work First is only considered if the individual concerned is unable to find work during or after those six months. The participants in the workshops agreed with the reasoning but felt that six months was a rather long time and felt that a period of three or four weeks to look for work would be sufficient to filter out the new benefit claimants with good prospects of finding work.

Everyone agreed that Work First is less useful for people with scarcely any chance of finding work. Most municipalities have separate programmes for clients in what is known as Route B. Where Work First is used, it is more in the nature of a social activation programme. These are activities designed to allow people who will be unable to perform regular work in the short term to remain socially active.

Almost everywhere clients who may disrupt the group process are ineligible for Work First. Apart from these people, who are generally excluded because of psychological problems, there are steadily fewer exemptions. Some municipalities have actually used the introduction of Work First to carefully review exemptions that had been granted previously. The municipal council in Meppel urged that mothers with children under the age of five should be treated with leniency and consequently mothers who have difficulty combining work with care tasks and child care qualify for a partial or complete exemption.

3.4 Instruments to improve the labour market position

Municipalities use various instruments to increase the number of clients making the transition from Work First programmes to work. The instruments fall into two categories:

- instruments to remove obstacles to work (child care, debt counselling, psychological help, etc.);
- instruments to increase the participants' knowledge and/or skills. These are broken down into:
 - employee skills;
 - practical knowledge and skills;
 - skills needed to find work (professional orientation, job application skills, social skills, etc.).

The instruments that are used depend on the approach, which is usually determined by the objective of the project (whether it is preventive or designed to promote the transition to work) and the consequent target group.

In this section we discuss the measures taken to remove obstacles to work and the range of instruments used to increase a participant's knowledge and skills.

Removal of obstacles

Municipalities generally provide *child care* if the target group includes single parents. In some projects the municipality reserves a specific number of child care places for participants in the programme. Others don't. The length of the waiting lists can make child care a serious obstacle to participation in the project. The projects respond to this by adapting the working hours to the hours the participant can work or by postponing their participation in the project until child care has been arranged.

Debt counselling is relevant for various groups. Although the issue of debt is always discussed during an intake interview with the municipality or the CWI, the actual scale of the problem often only becomes clear in the course of the programme and an effort is then made to address it. The reintegration agency or sheltered work company often refers the participant to the municipality, although debt counselling is sometimes also incorporated in the programme itself.

Integrity

Several of the participants interviewed for this study called for a more integrated approach in the projects. One specific example is a female client who told the reintegration company during the intake interview that she was heavily in debt and had problems arranging child care. The reintegration company is not responsible for dealing with these problems and referred her to the municipality, which offered her an exemption from the programme because she had to care for her children. However, she refused this exemption for fear of isolation and of becoming unaccustomed to the routine of work. Despite this, the work programme was not modified after the interviews with the municipality and is now very difficult to combine with caring for children who are still at school. There was no consultation between the municipality and the reintegration agency about providing help with debt or child care. The client felt that her specific problems were not properly addressed and her initial enthusiasm for Work First subsequently evaporated.

The authorities also review whether clients with *psychological problems* can be referred to other services. If the psychological problems are too great the individual is removed from the project. One reason may be that the psychological problems make it unrealistic to expect that person to find a job within the term of the project. Another consideration is that the person's participation represents a threat to the group process and hence the possibilities for the other participants to find a job.

Clients encounter various obstacles, often of a very basic nature. For example, many participants find it impossible to get to the work place of the sheltered work company or reintegration agency, which is often located in an industrial estate just outside the city. Others do not possess suitable footwear. In such cases, providing a bicycle, a bus pass or a pair of Wellington boots would be a solution as simple as it is essential.

Removing specific obstacles makes it easier for clients to make the transition to the labour market. Often, however, it is not the obstacle itself that is the greatest problem but the participant's feeling that the obstacle (debt, care) cannot be resolved. This is especially true for clients who have had a number of disappointing experiences with employers and use their limitations as a self-protective mechanism. In a

simulated working environment clients can discover for themselves that many of the obstacles are not insurmountable and in this way learn to focus on what they can do rather than on their limitations.

Increasing knowledge and skills

An essential element of all Work First schemes is to allow participants to get used to the *routine of work*. People who are not used to working tend to find it more difficult to secure a job and this is seen as a major obstacle to the reintegration of benefit claimants that Work First needs to address. All Work First programmes focus heavily on this basic employee skill. Establishing work routine has a positive effect on the labour market position of this target group by enabling clients to demonstrate to employers that they are capable of working regular hours. However, it does no more than that. The fact that a client is used to working regular hours provides no guarantee for their productivity.

Increasing knowledge and skills is another element of every Work First programme although the extent to which it receives specific attention varies greatly. Participants are trained in *employee skills* in every project. These are skills such as only smoking and drinking during breaks, keeping appointments and adapting to the pace of work. The training is generally provided on the work floor rather than in a separate course. The person responsible for it is the supervisor who is constantly present on the work floor.

Job application skills are also covered in every programme although the method of training varies. In some programmes the participants are taught in groups. In others the participants receive individual counselling. Job application skills are also discussed during the participants' interviews with a consultant about their prospects on the labour market. In both cases they are given concrete exercises in writing letters, writing a CV and conducting job interviews. It is impossible to establish which method is best on the basis of the case studies. Important factors are the intensity and quality of the counselling.

No specific training in social skills is provided in any of the projects in the case studies. However, these skills are covered, implicitly or explicitly, in other courses such as the training in job application skills. The supervisor can also address the participant about his behaviour on the work floor.

Very few *practical courses* are provided, although participants are sometimes offered a computer course (in some cases specifically tailored to searching for job vacancies) or language training if necessary. Participants may also be offered a specific practical course but must then have a guaranteed job offer from an employer. This is often the case with forklift truck drivers, so this type of course is regularly offered.

In other words, the purpose of Work First is not so much to improve the labour market position of participants by providing training but far more to pass on the basic practical skills required to secure and hold on to a job. Since the work they find will often be unskilled practical skills are less important than general employee skills.

To find a job it is important for the participant to know where to look. An important function of the project is to match supply and demand. Familiarising the participants with the channels available to search for work makes it easier for them to find a job.

The next step is to ensure that the participant actually secures the job. Job application skills are important in this regard. Some consultants in fact mediate on the basis of a CV alone. In that case the teaching of social skills is less decisive although those skills are of course still important for retaining the job.

The investments made in the target group can only have an impact if the participant also has the *motivation* to search for a job and to move off benefits permanently. The participants are usually not motivated when they start the project. Some don't want to work, but for others the lack of motivation comes from a fear of the unknown or of rejection. The motivation of the participants in Work First programmes is stimulated in two ways. First, the consultants make an active effort to help the participants to see what they are capable of and stress what the participants can do, which often has a positive effect on their self-image and hence on their motivation. They feel they are being taken seriously. In the second place, the participants are stimulated by working with colleagues in a group. They enjoy working with colleagues and can discuss their experiences with the other members of the group.

In short, Work First addresses various factors that are preventing the participants from entering the labour market at the start of the project. These are:

- insufficient motivation
- not using the correct channel to look for a job
- inadequate job application skills
- inadequate employee skills.

If their position on the labour market position is to improve the Work First programme must give the members of the target group the motivation to personally look for, secure and retain a job. All of the approaches we studied devote attention to these aspects to one extent or another. Accordingly, Work First strengthens the labour market position of participants in a general sense.

3.5 Organisational structure

The model employed seems to correlate with the target group. In the case studies we see that reintegration agencies are often recruited for Phase 1 clients/new benefit claimants, who receive remuneration, are placed with regular employers and are less intensively supervised. For claimants who having been on benefits for some time it is more common to use a simulated working environment in a sheltered work company, with retention of benefit, stricter agreements and intensive supervision. There are however plenty of exceptions to these general rules. Although Work First programmes started more or less autonomously in every municipality, the local initiatives nevertheless seem to evolve into two typical variants:

	Variant 1	Variant 2
Target group	Phase 2-4 Existing claimant	Phase 1 New claimant
Work environment	Simulated	Regular
Remuneration	Benefit	Wage
Uitvoering	Sheltered work company	Reintegration company
Implementation	A lot	A little
Duration	Long	Short
Integrated package	Often	Seldom

Asked why they chose a particular model, policy officials said it was often dictated by the needs of the specific target group. Municipalities would prefer to place all their clients with regular employers rather than in a workplace run by the municipality (or the reintegration agency) but that is a step too far for many clients. Employers are unlikely to hire these clients until they have mastered elementary skills (such as arriving on time, working in a team, taking care of their personal appearance and following instructions). In addition, after one or two bad experiences companies are in practice disinclined to provide any more places. On the other hand, clients tend to become demotivated after a number of setbacks. It is better for everyone concerned if employers are only offered participants with a realistic chance of success. Even then the client (and the employer) must receive proper support during the first few months.

Clients who have been unemployed for a relatively long time often need intensive and lengthy supervision. They often lack adequate knowledge and skills so a course in job application skills alone is insufficient. Case managers also feel that some of their clients are not really motivated, which is reflected in absenteeism, the imposition of sanctions and participants dropping out of the programme. Moreover, unemployment itself is not always the greatest problem. For example, some clients are only found to be in serious debt in the course of the project. Others (and often also the same) clients have psychological problems, language arrears or have to raise children on their own. It is not enough for these groups to become accustomed to the routine of work; they need an integrated package.

4 Effects and measurability

4.1 Measurement of success

To measure the success of Work First, it is crucial to define what is meant by successful. Is that when a programme leads to a drop in the number of benefit recipients? Or is it if the position of the participants on the labour market improves? For municipalities, reducing the cost of benefit payments was an important motive for introducing Work First and this was due in large part to the financial incentive arising from the Work and Social Assistance Act. From the perspective of reducing benefit costs, Work First is successful if the number of new claimants declines and the number of claimants moving off benefits and into work increases; in other words, if Work First is an effective instrument in getting people off benefits and keeping them off.

The fact that people no longer rely on social assistance does not necessarily mean that they have permanent work. People who stop claiming benefits may not have found a job or may have only temporarily stopped claiming benefits. Capacity building is an important instrument for getting claimants off benefits permanently. The underlying assumption is that the knowledge and skills acquired by the client will make them more attractive to employers. In section 3.1 it emerged that municipalities often do not see improving the labour market position of clients as a primary objective but rather as a means of reducing the costs of benefit payments. Nevertheless, it is useful to enquire whether participants who have completed a Work First programme are better equipped for the labour market than before. This study is intended to identify the conditions under which Work First leads to an improvement in the labour market position of (potential) benefit claimants.

The two indicators of success are therefore the size of the population claiming social assistance (curbing the number of new claimants and increasing the number of former recipients in work) and the labour market position of participants in Work First. Before going any further, it is important to remember that there are certain limitations to the collection of data on these two criteria. They are briefly discussed below.

The municipalities covered in the study collect detailed information about the number of new benefit claimants and the number of people that stop claiming benefits. However, it is difficult to attribute a decline in the number of people relying on social assistance (since the introduction of Work First) directly to the impact of Work First. The data frequently relate to different target groups. Moreover, there are other factors besides the introduction of a Work First programme, such as the economic

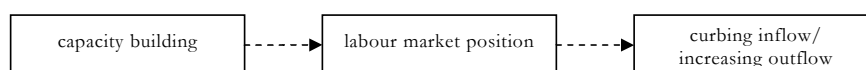
upturn and administrative processes.¹ Nevertheless, it is possible to compare the reduction in the number of benefit claimants in municipalities with a Work First programme with national figures for new claimants and those ceasing to claim benefits as Divosa did for its benchmark. A more general point that needs to be made is that it is by definition very difficult to establish the net effectiveness of reintegration projects and therefore of Work First programmes. It is still unclear whether the participants would have secured a regular job even without the help of the instrument.

The second indicator is an improvement in the labour market position of the participants in Work First projects. By contrast with figures on inflow to and outflow from the social assistance scheme, it is difficult to objectively establish an improvement in a person's prospects on the labour market. When participants move off benefits it may suggest that they have acquired knowledge and skills that make it easier to enter the labour market. At the same time, it is possible that some people are put off by the work activities and give up their benefits (for example, by electing to accept a low-paid job). We therefore have to rely to a large extent on the experiences of the individuals concerned to determine the effect of Work First on the participants' labour market position and the factors that determine the success or failure of a programme.

4.2 Labour market position

It is impossible express the notion of 'improvement of the labour market position' in numerical terms. The same applies for the 'degree of capacity building'. It is therefore impossible to demonstrate the correlation between capacity-building activities and the reduction in the costs of benefits (which is an actual figure) using the labour market position (see figure 4.1). At best one can compare the number of people coming off benefits in municipalities that do little in the way of capacity building with the equivalent number in municipalities that devote a lot of effort to increasing the knowledge and skills of the participants. In that case, the degree of capacity building would have to be the only variable on which municipalities differ, which is very seldom the case in practice.

Figure 4.1 Assumed correlation between capacity building and reduction of benefit costs



¹ Local authorities also try to curb the number of claims for social assistance by administrative means through 'strategic labelling'. Since the introduction of the Work and Social Assistance Act local authorities have started to check more carefully whether a person is entitled to a *Wajong* benefit (a disability benefit for young people) rather than social assistance in the same amount. The *Wajong* benefit scheme is still financed by the central government. In 2006 (see Jong gehandicapte uit bijstand gehaald, De Volkskrant 29 August 2007) the number of new claimants of a *Wajong* benefit that had previously been receiving social assistance rose by 75%.

It is impossible to express an objective finding. Whether the opportunities on the labour market for the participants improve and what effect that has on the number moving off benefits must therefore be derived mainly from the experiences of the individuals concerned. This study adopts the broad definition that improvement of the labour market position is anything that increases the participants' chances of finding regular employment. This may be an improvement in their knowledge and skills, but may also involve aspects such as motivation, work routine and the removal of obstacles. For the purpose of this study, a participant's position on the labour market is considered to have been improved if the individuals concerned (both supervisors and participants) believe that the participant is better equipped for the labour market than before.

The risk of using a broad definition is that it is relatively easy to find that there has been an effect. In a manner of speaking, one could say that the project has already succeeded if it has removed some practical obstacles since it has narrowed the gap between social assistance and the labour market. On the other hand, motivation and the acquisition of basic employee skills are often important factors in a benefit recipient's ability to find work. Even a small improvement in these areas can give a participant the decisive nudge. Since even small changes can be crucial, using a broad definition is not a problem in this study.

Most of those who were consulted for this study agree on the usefulness of capacity building for increasing a person's chances in the labour market. The views of clients will be discussed first and then those of the other respondents.

Labour market position, according to former and current participants

The role of capacity building varies from one project to another. A quarter of the current and former participants questioned in the telephone survey had no personal interviews with a coach or consultant during the Work First programme. The percentage varied from 9% in the project in Eindhoven to 50% in the project in Meppel. The other clients did have individual interviews. Important subjects that were discussed included the actual search for work (63%) and the person's performance in the project (42%).

Table 4.1 Is (was) time set aside for individual interviews with a coach or consultant in addition to work?

	Number	%
No, I only receive(d) supervision on the work floor	19	25%
Yes, I have (had) interviews with a coach or consultant	48	64%
Don't know/no opinion	8	11%
Total	75	100%

Most respondents (67%) received help in finding work (table 4.2). The assistance often consists of interviews with the consultant about what the participant would like to do and is able to do. The consultant or counsellor often also suggests specific jobs and helps the participant to write application letters. A minority of the respondents also mentioned other forms of assistance (training, being accompanied to job inter-

views by the consultant). The respondents who received assistance generally found it to be useful (72%).

Table 4.2 Do/did you receive help in looking for work?

	Number	%
Yes	50	67%
No, I have/had to do it myself	16	21%
No, I am not supposed to look for work yet	7	9%
Don't know/no opinion	2	3%
Total	75	100%

The respondents were asked to give a score to express the quality of the counselling provided by the implementing agency, the municipality and, where applicable, the employer. For the implementation of the programme by the reintegration company or the sheltered work company, 88% of the clients gave a six or higher. The average score was a 7.1.

The percentage of municipalities and employers that were given a satisfactory rating was 62% (average 5.9) and 86% (average 6.9) respectively.

Training, courses and education play a modest role in the projects and 44% of the participants were offered no such activities. One in five participants was offered a course but did not follow it. The other participants did follow a course, usually a computer course or training in applying for jobs. There is scarcely any practical training for specific jobs.

The respondents were all presented with a number of statements about the added value of Work First and the effect or perceived effect that participation in the programme had on their chances of finding a job. The results are summarised in the table below.

Table 4.3 Through my participation in the project

	Agree	Disagree	Don't know
I have a clearer idea of what work I want to do	35%	58%	8%
I have gained more self-confidence	60%	39%	1%
I have learned things that will help me to find work	56%	41%	3%
I have become better at applying for jobs	56%	43%	1%
I have applied for more jobs	41%	56%	3%
I have more interest in working	69%	28%	3%
I have a better chance of a paid job	41%	47%	12%

Despite some criticisms, the 75 current and former participants in the projects interviewed for this study were generally relatively positive about Work First. This outcome flies in the face of the expectation that the simple work and the threat of sanctions would make the participants more eager to look for paid work. However, it needs to be remembered that the sample does not include clients who declined to

participate in the project. The negative incentive may have been a factor for this group. By contrast, the majority of actual participants do not seem to regard Work First as a form of ‘bullying’. This corresponds with the observation made by policy officials in several municipalities that the ‘deterrent effect’ of the approach had disappointed them.

The limited preventive effect of Work First was also highlighted in another study (SEOR, 2006). That study was carried out at six social services and showed that many Work First programmes offer different types of work and also have a highly diagnostic function. According to SEOR, this shows “that the element of exerting pressure on benefit recipients by making them do routine and boring work does not play a major role in most cases. In most cases, an effort is made to discover the clients’ capacities and qualities.”

Only a minority (21%) of the ultimate participants had negative expectations for the project beforehand. One in five participants had no expectations whatever. All in all, the attitude of the majority (56%) was positive before the programme. Once they were in the project, the majority of the participants remained positive as the two following tables show; 55% enjoyed the work and 80% usually or always went to the project with pleasure.

Table 4.4 I enjoy/enjoyed the work I do/had to do

	Number	%
Totally agree	2	3%
Agree	39	52%
Disagree	19	25%
Totally disagree	12	16%
Don’t know/no opinion	3	4%
Total	75	100%

Table 4.5 I always go/went to work with pleasure

	Number	%
Yes, always	28	37%
Yes, usually	32	43%
No, usually not	5	7%
Never	10	13%
Total	75	100%

Labour market position, according to the project management

Supervisors and project managers concur with the impression given by the clients that the capacity-building element of the programmes is not aimed at improving their practical professional skills. Although technical training is important, they feel the result are often not in disproportion to the costs. Therefore, scarcely any practical courses are given. What professional training is given is only provided in combination with a job guarantee. Courses are mainly short and of a practical nature, for example learning where to look for vacancies, how to use a computer, how to write a

letter and exploring the labour market. The counselling concentrates mainly on activities designed to help participants to find work.

Consultants and trainers of both reintegration companies and sheltered work companies say that the added value of Work First lies not so much in capacity building as in changing the behaviour of the participants. According to them, some of the new clients initially want to work but lose their motivation after a number of rejections by employers. These clients are also often sceptical of 'agencies' that 'demand' something from the client (clients don't always seem to make a distinction between the CWI, the UWV, the municipality etc).

They therefore feel that the major challenge is to adopt a positive approach and to strengthen the self-confidence of the participants. Capacity building can have a positive effect on the motivation of clients. In the experience of consultants and trainers they then feel that they are taken seriously and gain them a sense of what they are capable of. In other words, it is not just a question of *what* the participants can do better than before as a result of courses and training but also that they *feel* that they can do things better than before. In many of the projects the clients are positive about the content of the capacity-building activities.

Deterrent programme

In Alkmaar the municipality initially introduced a Workfare-type approach for new benefit claimants. This method was chosen mainly for its "deterrent effect". The very limited attention devoted to capacity building caused some participants to become dissatisfied and led to a relatively high drop-out rate. When the programme was opened up to existing benefit recipients the system was no longer adequate to help people make the transition to work. The implementing bodies had the idea that placements were not permanent, although there are no hard figures to support this. To fill this gap an alternative approach was then developed for the difficult groups (those already receiving benefits) with a greater emphasis on improving their labour market position. Greater attention is also given to training and assistance in looking for work.

4.3 Costs of benefits for municipalities

One of the aims of Work First is thus to strengthen the participant's position on the labour market in certain respects. However, the question remains whether Work First really is effective, in other words whether the participants actually make the transition to work. Of particular interest is the question of whether Work First enables people who are unable to do so on their own to find a permanent place in regular employment. Twenty-three of the 75 respondents have found work. Twenty-five respondents are still in the programme. The other clients are no longer in the programme for various reasons (predominantly because they are not entitled to benefits, due to illness, because they have moved, because the term of their participation in the project has ended or because they have joined another programme).

The respondents who have already found work were asked whether they would have found a job even without the project. Eleven of the respondents believe they would have, eleven believe they would not.¹ Work First therefore seems to be effective for a substantial proportion of the participants. The question remains to what extent other instruments (such as regular programmes) could have achieved the same results.

Municipalities in the case studies

Every municipality covered in the study is satisfied with its own Work First programme, although some municipalities have made changes to their programme over time. Some municipalities have also changed the target group in the course of the project and have sometimes adopted a new approach as a consequence. That was the case in Alkmaar, where Work First was initially introduced for new benefit claimants but has now also been opened up to existing recipients. For this latter group, a second variant of the Work First programme was developed with a greater emphasis on counselling and capacity-building instruments. In Alphen and Meppel an additional target group was selected after a while but the structure of the programme was not changed.

The municipalities base their satisfaction partly on their experiences in the field and partly on specific data they have collected about their programmes. Municipalities collect these data not only to evaluate the Work First programme but also for the purpose of monitoring the performance of the implementing agencies.

It emerged from the study that municipalities closely monitor trends in the number of social assistance recipients. However, many of them have no specific data about the number of participants entering and leaving the Work First programme. This can be partly explained by the duration of the projects (and hence the timing of the monitoring).

The lack of statistics about the results of the instrument applies not only for the municipalities in the case studies in this report. Other reports on Work First confirm the impression that data about Work First (not to mention other instruments) are difficult to find (for example, SEOR, 2006² and SGB0, 2007³). In a recent study SEOR found that municipalities are generally satisfied with the results of reintegration, regardless of whether they manage the programmes themselves or subcontract them.⁴ Since municipalities generally do not measure the results and costs of reintegration programmes, their conclusions are based mainly on perceptions. The SEOR report concludes with the recommendation that municipalities should make a greater effort to measure the impact of reintegration.

¹ Five clients are working but did not answer this question. Three of them started their own business with the help of the project. The other two said elsewhere in the survey that they had found work (in other words, not as a result of the project).

² SEOR (2006) Het gebruik van prikkels in de bijstand. Onderzoek bij zes sociale diensten, Ministry of Economic Affairs, The Hague.

³ SGB0 (2007) Re-integratie in Helmond: een onderzoek naar de doeltreffendheid en doelmatigheid van het gemeentelijk re-integratiebeleid, The Hague

⁴ SEOR (to be published) Re-integratie door gemeenten: zelf doen, uitbestreden of samenwerken? The Hague

Wherever there were results available for the programmes in the case studies in this report they are compared with the agreed targets. Comparisons with other instruments that are currently used or were used in the past are less common. This is due to the fact that in the past the results were not monitored as closely and the target groups are often dissimilar.

It is also often unclear how permanent the results have been. Some municipalities do know this because the agency implementing the Work First programme only receives full payment of its fee when the participants in the programme have been regularly employed for at least six months. In other municipalities there is less certainty about the numbers of participants remaining in permanent employment.

National information

The Divosa benchmark shows that Work First is a successful instrument for increasing the number of benefit claimants that find work. According to the benchmark, 45% of the participants in Work First projects find work in the regular labour market. The figure is one and a half times higher than the average number of people making the transition from social assistance to work according to figures from Statistics Netherlands (CBS). However, it should be noted that almost all the participants in the Work First projects are obliged to look for work and must accept any (generally accepted) job they are offered. The CBS figures for people moving off social assistance and into work are based on all benefit claimants, including those who are not required to seek work. In addition, many Work First projects are intended for new benefit claimants whose prospects of finding work are often better than those of people who have been claiming benefits for years. Moreover, the most promising candidates among existing benefit claimants are often registered for projects first, which distorts the picture. Finally, it is possible that positive and active projects, which achieve good results, are more inclined to take part in the voluntary benchmark.

A preferable method would be to compare the results of Work First with earlier reintegration programmes employed by municipalities for similar target groups (for example as part of the earlier so-called ‘comprehensive approach’) but there are no comprehensive details of those programmes available. The UWV does publish the annual placement percentages of the companies it works with and the Council for Work and Income includes this information in its reintegration monitor. The UWV’s figures show that the average placement percentage in 2005 was 17.9%, which is significantly lower than the figures in the Divosa benchmark. As previously mentioned, the figures in the benchmark are probably slightly distorted in a positive sense. Nevertheless, the difference is large enough to suggest that Work First has a definite impact in reducing the costs of benefits.

4.4 Research into drop-outs

Work First has both negative and positive incentives. The negative incentives (preventive effect) may discourage people from applying for social assistance. It is useful to know what happens to these so-called 'drop-outs'. One possibility is that they find work (at their own level or otherwise) or ask their friends and family for help. Another possible reason is that they have moved to another municipality. Various publications have referred to the risk that they may instead to choose to live below the poverty line. They may also turn to crime.

Drop-outs in Meppel

Municipalities conduct little if any research into what happens to people who fall through the safety net. One of the few exceptions is the municipality of Meppel, which in 2006 investigated how people support themselves when they withdraw their application for social assistance.¹ Of the 143 persons that applied for social assistance between January 2005 and June 2006 one was not entitled to benefits and fourteen were found to be unfit for the *Werk Nu* programme. Of the other claimants, 104 participated in the project. The twenty-four that did not withdraw their applications for social assistance. Reasons they gave included the procedure, the red tape, the type of work, the image of the project and the way they were treated by the CWI.

Out of this group of 24 people, nine had already found work and no longer required social assistance. Two had moved and two had chosen to look for a job themselves rather than take part in the project (one of them has since found work). Eleven dropped out without giving a reason. The majority of these eleven drop-outs were unskilled, male and in their mid-twenties. Many of them had been unemployed for a long time. By the end of 2006 three of them had found a job and two others were studying. One person was meanwhile receiving sickness benefit. Another four were unemployed. The final person was in prison at the time. Of the four who were unemployed, two said they had borrowed money and it was not known how the other two were supporting themselves.

The study in Meppel provides no direct evidence of a correlation between the preventive effect of Work First and an existence below the poverty level. The sample covered in the study was in any case very small. Out of the 143 cases, for only two was it not known how they supported themselves and one was in prison.

The participants in the workshops were also asked to provide any information they had about drop-outs. Only the municipality of Maarssen kept records. None of the 16 participants in the local programme is currently without either a benefit or work. Most other municipalities have not researched what happens to people who stop claiming benefits but their impression is that the relevant group is small. They further argue that these people will ultimately approach the municipality again one way or another, if not to apply for social assistance then in connection with eviction problems, debts, etc.

¹ Masselink, I.J., and M.H. Masselink (2006) Study of Meppel's *Werk Nu* programme, Meppel.

The idea that the scale of the problem of drop-outs from the social assistance scheme is small is widespread throughout the country. In the evaluation of the Work and Social Assistance Act (Research voor Beleid, 2007b) local authorities were asked if they felt that the incentives provided by the act meant that many people fell through the cracks in the system.¹ This was not the case. The general impression is that the social safety net is not at risk from the more businesslike and result-oriented approach (aimed at getting people off benefits and activating them). However, the study also showed that only a handful of municipalities have actually conducted research into the subject. Only nine of the 146 (inter)municipal social services interviewed for that study had conducted such research, although at the time of the survey 16 municipalities were planning investigations into why people refrained from claiming social assistance.

¹ Bunt, S., M.Grootscholte and D.R. Kemper (2007b) De WWB gewogen: gemeenten aan het woord, tweede kwalitatief onderzoek in het kader van de Evaluatie van de Wet Werk en Bijstand, Research voor Beleid, 2007.

5 Success factors

The previous chapter described a number of the effects of Work First. A broad definition of the term labour market position was adopted: anything that helps a participant to secure a regular job is an improvement of the labour market position. The definition embraces not only enhancement of the knowledge and skills of the participants but also increasing their motivation, removing obstacles and, even more broadly, matching supply and demand and improving the transparency of the local labour market.

A Work First programme is therefore successful if it reconciles the qualities of the client and the demands of the employer. To achieve this, a number of essential conditions have to be met. In explaining them below we distinguish between factors relating to the targeting of participants, the methods used by the municipality, coordination within the chain and finally, the step to work.

5.1 Targeting participants

The gap with the labour market begins to widen as soon as someone finds himself sitting at home. Within a matter of weeks many benefit recipients assume a different daily routine, while a growing gap appears in their CV. Moreover, the municipalities interviewed for this study observed that the attitude (work mentality) of benefit claimants changes when they have been out of work for some time. Clients in the various projects generally endorse this.

To prevent this, benefit claimants must not be allowed to sit back and do nothing. Many of the municipalities in the study also said that this was one of the explicit principles behind their action. The process must be designed in such a way that as soon as possible after they register with the CWI benefit claimants are making intensive efforts to find work, to remove obstacles to work, to learn relevant skills and to find a job. Finding a job is your job, as the saying goes. Important aspects for the client in this respect are urgency, intensity and clarity. Naturally, everyone involved must contribute to this.

Urgency of action

Urgency of action was mentioned as an important factor in practically every case study and is apparently easy to achieve. Nevertheless, in many projects it proved impossible to place candidates in a job within two weeks of their registration with the CWI. Even the projects described in this report had difficulty placing individuals quickly in the first year. There are various explanations for this. A number of conditions have to be met if a person is to be placed quickly: the municipality must ensure that a sense of the need to act quickly is embedded in the culture and the work processes, both internally (in the municipal organisation) and externally (among the partners in the chain). In addition, the implementing agencies must be able to provide a

place immediately for the clients referred to them. The network of employers plays a role in this respect but also, indirectly, other aspects such as a continuous supply of clients.

The sense of urgency begins with the municipal organisation. As director of the process, the municipality must initiate prompt action. The failure to act quickly may be due to a fear of the unknown or a lack of decisiveness in one or more of the links in the municipal chain. However, a lack of internal coordination may also impair progress. The principle of ‘work over income’ should not be left solely to the case managers but must be embedded in the municipal culture and all its processes if it is to be implemented effectively.

A second requirement is a clear division of tasks between the various partners in the chain. Only then is the smooth and rapid transfer of clients possible. We will return to the need for internal and external coordination in section 5.2. The final condition is a more practical one. The placement agency (whether it is a reintegration agency or a sheltered work company) must have sufficient places. If participants are being placed with regular employers the implementing agency must have an extensive network of employers. In Hoorn, the local reintegration agency’s contacts were decisive in the municipality’s decision to choose it as its partner. At the same time, the local authority must be able to guarantee a certain continuity in the supply of clients so that the implementing body can tailor its work processes and its agreements with employers to that supply.

As already mentioned, prompt action helps to prevent clients from losing touch with the labour market. Further advantages of ensuring that clients start working promptly are that it is highly effective in preventing them from claiming benefits and reduces the temptation for them to accept illegal work.

Clarity and simplicity

Clear and straightforward agreements must be made with the clients and must be communicated equally clearly and transparently to them. It is important to stress the sanctions when explaining the rules. Naturally, formulating and communicating clear rules is only useful if they are then followed. Enforcement is particularly important since it sends a signal to clients that abuses will be punished. In addition, formulating simple rules with few exceptions also eases the pressure on the partners in the chain. The more complex the agreements, the greater the coordination required. The more complex the target group and the greater the emphasis on performing work, the more important it seems to be to make clear agreements.

Intensity

It is important to remain ‘on top of things’ throughout the project. This too follows from the theory that the participant must not be given the chance to sit back and relax. Both the supervision during the project (ensuring that a participant makes a constant effort to find work) and the practical assistance (capacity building) must be intensive. The former aspect applies equally to every target group since everyone is expected to do what they can to increase their chances of finding a job. The latter aspect

depends on the needs of the target group. Participants whose prospects of finding work are good require less supervision than groups for whom major obstacles first have to be removed.

Made-to-measure approach

Whereas Workfare has an overwhelmingly preventive effect, Work First can also be assumed to make a contribution to enabling participants to make the transition to work. Theoretically at least, Work First programmes are instituted to improve the participants' chances of finding work. This reasoning raises the question of how the project should be structured and what the *participants* can change to make it easier to find a job.

The following obstacles can be distilled from the interviews for the case studies (in no particular order):

- the participant lacks motivation and/or general employee skills (such as arriving on time, working for a boss, keeping to agreements, etc);
- the participant's qualifications or specific education do not match the needs of the employer;
- the employee's wishes do not correspond with his capabilities and/or the jobs that are available on the labour market;
- the client has difficulty finding/reacting to vacancies (exploring the labour market, job application skills, etc.);
- obstacles that are not specifically work-related which prevent the participant from looking for work (psychological, social, physical, financial, etc).

Ideally, a Work First programme should be aimed at removing any of these obstacles that apply to a particular client, which implies that a made-to-measure approach is called for. The precise problems of each participant have to be identified. Depending on the results, a decision then has to be taken on where to place the emphasis (and whether Work First is the proper solution in the first place).

Made-to-measure training

In Meppel the capacity-building element consists of half a day of training each week. There are eight different training modules which are provided for everyone. Participants who are allowed to stay on in the programme after the regular period of three months follow the same course again. The uniform approach was adopted to promote the group process. On the other hand, the needs of the participants are not the same. Particularly when a participant is repeating modules, it is legitimate to ask whether they make any real contribution to increasing their chances of finding a job. If they do not (and if clients feel that they do not), it is worth seriously considering alternative training or using the training time for other purposes since there is no added-value in the present method in terms of capacity building.

Even if the main problem is a lack of motivation the question is whether a Workfare-type approach (comprising work activities alone) is sufficient. There is a risk that participants will become demotivated and quit the programme without finding a job, whereas a positive approach could help to increase the number of participants finding (permanent) employment. It emerged from the case studies and the survey of participants that clients who feel they are being taken seriously cooperate more ac-

tively in efforts to find work. A positive approach is of course not the same thing as a 'gentle approach'. On the contrary, the need to clearly communicate the participant's rights and duties and consistently enforce sanctions applies even more strongly for those who are unwilling to cooperate.

A certain degree of capacity building is useful for every target group. Whether it should consist of training, a course in job application skills, exploration of the labour market, psychological training, a course in social skills, debt counselling or some other form of advice has to be reviewed on a case-by-case basis. The degree of counselling (for example in searching for vacancies or preparing for a job interview) also varies. One way or another, there is no universal mix of activities that is appropriate to every situation.

5.2 Organisational culture

If Work First is to function properly there has to be close collaboration between all the parties concerned. Tailoring the programme to the needs of the participant (a made-to-measure approach) was discussed in the previous section. The programme also has to be geared to the needs of the partners in the chain and the employers. These aspects are discussed in sections 5.3 and 5.4. This section discusses coordination within the municipality, although that in itself is not enough. Greater professionalism is required throughout the organisation if Work First is to be effective.

Many municipalities introduced Work First as just one of the instruments to help people to find work. Others saw reintegration through work activities as the dominant (or even the only) instrument for reducing the number of benefit claimants. The first category of municipalities sometimes delegate the Work First programme entirely to the implementing agencies, which can be effective if a reintegration company or sheltered workplace is properly equipped for the task but can sometimes also lead to problems.

Essentially, Work First is more than just a reintegration instrument; it is also a policy philosophy. The introduction of Work First calls for a change of culture within the municipal organisation. This change, which was driven in part by the introduction of the Work and Social Assistance Act, involves a transition in the organisation from focusing on the process to focusing on results, from simply providing legal entitlement to offering an effective programme, from a caring organisation to a commercial enterprise, from a benefit factory to a mediation organisation.

Work First demands an equally intensive effort from the municipality as it does from the participants. It is not just an instrument for case managers. The first step is for everyone involved in the municipal organisation to know what everyone else is doing. Genuine success therefore depends on everyone following the same vision. Effectively and efficiently guiding participants into work places high demands on the municipal organisation: short lines of communication, transparent work processes, clear codes of conduct, a central information system, etc.

Another study also highlighted the importance of cultural change for Work First. The Centre for Labour and Policy (CAB) identified eight factors that help in successful cultural change (CAB, 2005).¹ It is important to take account of other change processes and sub-cultures within the municipality. The management must steer the process of cultural change by setting specific goals, identifying good practices, adjusting its strategy and communicating consistently and transparently.

The case studies show that coordination within municipalities is often far from smooth. In practice, too much of the responsibility for the Work First programme is left to the implementing agency. Other officials involved in the programme within the municipality are often unaware of what the implementing agency is doing. This makes it difficult to guarantee prompt action and a made-to-measure approach. These weaknesses in the coordination are reflected, for example, in what the case managers in one of the case studies described as the vast distance between themselves and the procurement department. Instead of gearing procurement to the needs of the clients the procedure is to purchase a wide range of products for which clients must then be found. Case managers feel that the products that are purchased are not all useful or necessary. According to them, the service would be more efficient and tailored more to the needs of the participants if procurement was geared to their actual needs.

5.3 Cooperation in the chain

Clear agreements between everyone concerned are important for the smooth transfer of participants. Since it is impossible to document everything in advance, the lines of communication must be short and the thresholds low. This strengthens the mutual trust between the chain partners, which in turn prevents misunderstandings and conflicts. It also makes it possible to respond quickly and adequately to unexpected situations, for example if certain elements of the Work First programme are not functioning properly.

With respect to clear agreements, it is vital that a single party takes control. This relates mainly to the way in which the municipality (especially case managers) directs the implementing agency, particularly if it is a reintegration agency. With this 'direction model' (arm's length direction by the case manager) it is particularly important to make clear agreements about the results and the process. Although the parties must all play their part in moving participants off benefits ultimate responsibility should rest with the case manager, since the case manager and the client (finding work) share the closest common interest. Reintegration agencies have a commercial interest in addition to the desire to find work for the participants.

¹ Edzes, A.J.E., M.F. Moes, R.G. Defourny (2005) Een staalkaart van de WWB-praktijk in Noord-Nederland, CAB, Groningen

Consequently, in one of the case studies there were calls to delegate not only the direction but also the implementation of the programme to the case managers. Case managers sometimes feel too constrained in the scope they have to advise clients themselves. Whether this would be sensible depends on the situation in the municipality. It depends on the possibilities there are to control the implementing agency and to discuss and make changes whenever necessary.

Short lines of communication

The importance of short lines of communication is illustrated in the case study involving the use of two different reintegration agencies. This method was chosen so that the municipality could compare their performances and so keep both parties on their toes. One of the agencies has little contact with the local authority. Information about the participants is provided by means of a new electronic system which can be accessed by both the reintegration agency and the municipality. Neither of them really knows what the other is doing, which has led to misunderstanding and ultimately to a lack of trust. Their collaboration is poor and the case managers are unaware of what is happening with their clients. Consequently, the reintegration company has more difficulty placing clients.

The other reintegration company also feels that the municipality does not communicate sufficiently with it but makes a habit of visiting the municipality's case managers at least once a week. The case managers greatly appreciate this. Problems are dealt with in a constructive fashion and it gives both sides the feeling that reintegration is a joint effort.

One of the consequences is that case managers send their clients to the reintegration agency they have most contact with. Meanwhile, the other reintegration agency is sent only one-tenth of the number of clients estimated by the municipality at the start of the project. Consequently, its own workplace for the participants is no longer full and the training groups are poorly filled. Since municipal case managers are also accountable for the number of clients in their own caseload that find work this has a self-reinforcing effect. The poorer performing reintegration company is sent steadily fewer (good) clients, thus creating a downward spiral.

The chain partners regard it as a major advantage if the various parties are in the same building or located very close to each other. The very limited role played by the CWI in Meppel has to be seen in the context of the fact that the city does not have its own CWI office. This makes collaboration far more difficult. However, physical proximity does not automatically lead to social proximity. The case managers in one of the municipalities in this study said they did not know their colleagues in the CWI even though they are in the same building.

5.4 The step to work

The programmes are designed to ease the transition to the labour market for benefit recipients. Ideally, this is achieved by removing any obstacles that prevent individual clients from finding employment. To move off benefit, the participants must actually make the final step to work. The contracts with reintegration agencies and sheltered work companies generally provide incentives for this by stipulating that they will receive a share of the fee only if a person finds a job and/or if he or she remains with the employer for a certain period (usually six months). After the six months they are entitled to unemployment benefit, which is paid by the central government.

The differences between the projects extend not only to the type of work and the degree of capacity building, but also in the design of the transition to work. The actual transition to work does not receive equal attention in all of the projects (or studies). We have identified two variants. In one, finding work is part of the project; in the other, the labour market is regarded as being beyond influence. In practice neither variant occurs in precisely that form. Every project is a hybrid of the two approaches.

Labour market as a black box

In a number of the case studies the incentive provided in the contracts is the most important mechanism for promoting the transition to the labour market. In this model it is up to either the participant to find work or the implementing agency to secure a work placement for the participant. Sometimes the municipality and/or the CWI provides a list of vacancies every week. The reasoning is that the participants' chances of finding work will automatically improve if the obstacles they face are reduced or removed. According to this theory (albeit phrased somewhat exaggeratedly), it is merely a question of time before the participant and the employer have found one another.

This approach treats the labour market as a black box. In half of the projects those involved said that the programmes are not sufficiently focused on finding work. This applies particularly for Work First programmes with several 'tracks'. Clients that cannot be immediately placed (who are working in a simulated work environment) are given few tips on how to find work apart from a folder with job vacancies. Although many of the clients in the lower 'tracks' are not yet ready for work, according to policy makers and implementing agencies it would still be worth making a greater effort for those who could work, if necessary with additional support. It is particularly difficult for this group to find a job on their own.

In Meppel, Hoorn and Alphen officials expressed a desire for the closer involvement of employers in reintegration. Reintegration agencies and sheltered work companies can only achieve this aim to a limited extent since their influence only extends to their own network of companies. The municipality could perform a bridging function in this respect. "The municipality must explore the market more," said one policy official from a social services department.

Discrepancy model

The black box approach described above is based solely on what clients need to change to make it easier to find work. However, the key to getting benefit claimants off the registers of the social services departments ultimately lies with employers. This realisation alters the focus. The essential point now is that the search for a suitable job is no longer dictated by the capacities of specific participants but rather that municipalities should consider the needs and wishes of regional employers and explore whether a benefit recipient might be a solution. Employers ultimately have a decisive role in the (permanent) placement of benefit recipients and municipalities would be well advised to actively involve them in reintegration.

In this view, what counts is not so much the actual qualities of participants but how well they match the demands of employers. The nature of the discrepancy between them determines not only the nature of the capacity building that is required but also the actions that the partners in the chain can take. Possible discrepancies are:

- the participant's level of education does not match the requirements of the employer;
- the participant's type of education does not match the requirements of the employer;
- the client's wishes do not match the available vacancies (or his personal capacities);
- the method of presentation (letter, application) scares off employers;
- the employer's recruitment and selection methods do not match the search behaviour of the job seeker (transparency of the labour market);
- the image of participants deters employers from hiring the job seekers.

In the first four instances the discrepancy calls for action on the part of the client. In the fifth case, a mismatch between what employers want and what an employee is able and willing to do, employers and employees cannot find each other automatically and so there is a task there for municipalities. This applies not only when the labour market is not transparent but also if one party has a distorted impression of what the other has to offer.

Employer strategy

In various projects a conscious effort is now being made to draw employers more intensively into the reintegration process. Hoorn and Alkmaar have already adopted a strategy of employer involvement and Alphen aan den Rijn is in the process of devising one. In Meppel a platform has been created to promote an employer strategy for reintegration. The members of the platform are local employers' organisations, the CWI, the municipality and the local sheltered work company. This is a project funded by the European Social Fund and is therefore temporary so the question is what follow-up there will be when the project ends.

The question is to what extent an employer strategy can still be regarded as an aspect of Work First. The case studies and the workshops clearly show that a broad approach, which is also targeted at employers, ultimately leads to more employment creation than a narrow approach focusing solely on the motivation and capacities of the client.

It is essential in that case for the chain to function properly. Other research (Research voor Beleid, 2007) also shows that the success or failure of an employer strategy depends on the quality of the matching process. Employers must be assured that a vacancy can be filled quickly and effectively, which is only possible if there is adequate 'behind the scenes' collaboration between the partners involved in Work First. In other words, municipalities should only embark on a coordinated employer strategy if it can guarantee that it will work smoothly. Without proper collaboration between the parties involved there is the immediate threat that employers will become disenchanted, in which case the employer strategy will be counter-productive since the gap between employers and benefit claimants will become wider rather than narrower.

6 Conclusions

The Work and Social Assistance Act gave municipalities both the policy scope and the financial imperative to actively implement the principle of Work over Income. Consequently, the vast majority of local authorities have introduced Work First programmes, projects specifically designed to help benefit claimants to make the transition to work. A central feature of the programmes is the compulsory participation in work activities. Many local variants of the programme have emerged. There is no one-size-fits-all recipe for a Work First programme. The most suitable organisational structure depends on local factors (such as the characteristics of benefit claimants, the existing infrastructure, etc) and the ambitions of the municipality.

Since the Work First scheme in some municipalities has moved beyond the experimental phase it is time to survey the background to local differences and similarities. It will then be possible to identify specific elements that would be most effective under particular circumstances. It was consciously decided that the study would focus mainly on how Work First can improve the position of participants in the labour market rather than number of people entering and leaving the programme.

The previous chapters of this report described the most important results of the study on the basis of the central questions posed by the Council for Work and Income:

- 1 What different approaches are actually employed in the Work First programmes?
- 2 To what extent is it the intention of municipalities to improve the labour market position of clients through Work First?
- 3 What are the effects of Work First programmes, particularly with respect to improving the position of the unemployed in the labour market?
- 4 Under what conditions does Work First improve the labour market position of the unemployed?
- 5 Under what conditions does Work First lead to an improvement or deterioration in the labour market position of the unemployed?

In this final chapter we present the principal findings and the conclusions that can be drawn from them.

6.1 Diversity and objectives (research questions 1 and 2)

There is a wide variety of Work First programmes in the Netherlands. One explanation for this is that both local conditions (characteristics of benefit claimants, experience with a particular implementing agency, etc) and the local policy vision (which approach is suitable for which target group?) vary. Moreover, the degree to which any particular aspect is decisive for the organisational structure differs. Some municipalities devised a Work First programme from scratch on the drawing board, while others built it around an existing infrastructure.

Regardless of the differences in local conditions, the incentive provided by the Work and Social Assistance Act was the same for all municipalities. The act makes municipalities responsible for the number of benefit recipients. Reducing the number of benefit claimants in the municipality was the principal objective of Work First in all the municipalities studied. In fact, it was this incentive that drove many municipalities to introduce the scheme in the first place. Work First can contribute to reducing the costs of benefits in two ways. Firstly, by encouraging people who are unwilling to work (with work activities and sanctions) to look for a job. And secondly, by providing practical and procedural help for people who are unable to work. All Work First programmes therefore include elements of work and capacity building. The latter element has started to receive more attention in the course of some projects. Improving the labour market position of the participants is generally an objective in the sense that it contributes to reducing the number of new benefit claimants and increasing the number of claimants finding work.

Work comes first in Work First, although the number of hours worked and the nature of the work differs from one project to another. There are important differences in the working environment (simulated or regular), the implementing agency (sheltered work company or reintegration agency) and the remuneration model (wage or retention of benefit). These differences are often accounted for by the choice of target group. Nevertheless, a single approach is often adopted for the entire group of participants.

As with the work, the nature and scale of capacity building also differs from one project to another. At the same time, there are limits to what is done to improve the position of the participants in the labour market. Little long-term training is provided. Training and courses are generally short and practical, such as a computer course. A course in professional skills is generally only provided if the participant has a job guarantee. In practice capacity building consists mainly of removing obstacles (debt, child care, transport, etc.) and teaching specific employee skills that will help the participants to find work.

6.2 Effects of Work First (research question 3)

What are the effective elements of Work First programmes? Is the degree of capacity building decisive, or is it the work activities? Or is it a combination of the two?

The municipalities in the study agree that offering working activities alone (Work First as a 'bullying' programme) has only a limited effect. Participants and former participants are generally reasonably positive about the approach. The two projects in this study which initially focused most heavily on work activities feel that the results in terms of preventing new claims for benefits were disappointing. They started to devote more attention to capacity building, especially when they reached the 'hard core' of benefit recipients. At the same time, capacity building alone is also not the answer, which is why municipalities are increasingly moving away from long-term projects. Apparently it is the combination that is decisive.

Nevertheless, the fact is that working does not promote 'willingness' and capacity building does not promote 'ability'. The survey of clients and interviews with stakeholders identified the following effective elements:

- According to consultants and trainers, the principal added value of Work First lies in bringing about a **change of mentality**. They feel the challenge is to increase the self-confidence and motivation of the often demotivated participants. The approach should therefore be positive (which should not be confused with a gentle approach). Clients themselves said in the survey that the project gave them more interest in work (69%) and more self-confidence (60%). The project made them feel there were being taken seriously.
- The capacity-building aspect of Work First does not relate to professional knowledge and skills. It was argued earlier that the training is of a practical nature and the support is designed to help participants find work. For example, they are given help in exploring the job market, looking for vacancies and writing application letters. Clients themselves say that they learn things through Work First that help them to find work (56%) and that they are better able to apply for jobs than before (50%). By contrast, only a minority (41%) agreed with the statement that Work First had increased their chances of finding a paid job. In other words, not all participants have improved their position on the labour market but a majority do have a clearer sense of their opportunities and possibilities. They can find their way around in the labour market more easily, which is also a positive effect.
- A third effect that clearly emerges in all the projects is that the work activities have an impact on **basic employee skills**. These are skills relating to the work routine, working in teams, pulling up your selves, work experience, arriving on time, working for a boss, personal hygiene, etc. Although these skills are not enough to find work, they are essential for doing so. The absence of a daily routine is one of the first symptoms of a growing gap with the labour market.

An explicit reservation that has to be made to these findings is that only current and former participants (who have found paid work or otherwise) were questioned for this study. No one who had not applied for social assistance was included. It is entirely possible that the negative incentives in Work First (work and sanctions) played a role for this group, although respondents in several municipalities said they were disappointed with the preventive effect of Work First. As far as the actual participants are concerned, there is little evidence in this study that negative incentives have a decisive effect. On the contrary, only a minority (21%) of the current and former participants surveyed (21%) were mainly negative about the project, while 55% enjoyed the work and 80% always went to the project with pleasure.

6.3 Success and failure (research questions 4 and 5)

Work First is successful if the qualities of the client and the demands of the employer converge. The conditions are divided into three critical factors: targeting of the participants, coordination (within the municipality and within the chain) and finally, the step to work. Each of these conditions represents an associated challenge.

As far as **targeting the client** is concerned, this study distinguished factors such as urgency, intensity, clear communication and a made-to-measure approach. Intensity and a tailored approach are growing in importance since a large majority of the benefit claimants that are easier to place have found work. This partly explains why over time more attention has been devoted in many projects to capacity building. The more difficult groups do not seem to be helped by work activities alone. They need intensive counselling to make the transition to the labour market. To enable this group to make the transition to permanent work (and at the same time to prevent people who already in work from claiming benefits again) the municipalities will soon have to further intensify their efforts in the area of capacity building to improve the labour market prospects of participants in the programmes.

The effectiveness of Work First calls for close collaboration between all the parties concerned. There has to be collaboration within the municipality and within the chain. To guarantee basic aspects such as promptness of action it is important for everyone concerned in the municipality to adhere to the principle of Work over Income. In a certain sense Work First is not just an instrument but also a policy philosophy, and that calls for a change of culture. At the moment, Work First is still often left to the implementing agency. The challenge is to involve other parties in the application of the principle of Work over Income.

A final success factor is the step to work. To increase the number of people moving off benefits claimants must actually make the final step to work. The contracts with sheltered work companies and reintegration agencies provide real incentives for achieving this. In various projects, there is a growing role for the CWI and the municipality alongside the implementing agency. In this new structure the labour market is no longer seen as a black box. In three of the projects studied, therefore, a positive effort is being made to actively involve employers in the reintegration process. The question is to what extent an employer strategy can still be seen as an element of Work First. What the study does show is that a broad approach, which also embraces employers, will ultimately produce better results than an approach that focuses only on benefit claimants. However, such an approach demands close behind-the-scenes collaboration. It is up to municipalities to develop such an approach in the future.

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PART II CASESTUDIES

1 Casestudy Alkmaar

Features	<i>Loon boven Uitkering</i>	<i>Focus2Move</i>
Start of Work First	1 February 2004	1 April 2007
Target group	New benefit claimants, expanded with existing benefit recipients	Existing benefit recipients and new benefit claimants with problems
Objective	Prevention and employment	Employment
Wage or retention of benefit	Wage	Wage
Simulated work environment/ regular employers	Simulated work environment	Simulated work environment
Number of places available in project	50 ¹	20 ²

1.1 Origin

The municipality of Alkmaar and another municipality already had plans in 2002 for a project along the lines of Work First principles. They wanted to use this project to curb the rise in the number of new benefit claimants but were unable to secure financing from the ministry. With the introduction of the Work and Social Assistance Act in 2004 they were finally able to implement the plans.

The project *Loon boven Uitkering* (in English: Wage over Benefit) was launched in February 2004. Initially, the principal objective of the project was to curb the number of new benefit claimants. Another project, *Focus2Move*, commenced in April 2007. The aim of this project is to help participants with problems to find a job (existing benefit claimants and new claimants) by removing obstacles while they are working. In time this should allow them to move off benefits. The project was set up because the municipality of Alkmaar felt this group could be prepared for a return to the labour market in a simulated working environment. Other programmes (not based on a work situation or the *Loon boven Uitkering* project) had proved ineffective for this group.

Loon boven Uitkering no longer has the status of a project but has for some time been one of the regular instruments used by the municipality.

¹ 50 is the average number of participants each month, no maximum has been agreed.

² 50 is the average number of participants each month, no maximum has been agreed.

1.2 Target group

Loon boven Uitkering

Loon boven Uitkering (LBU) is targeted at clients who apply to the CWI for a benefit, with the exception of Phase 1 clients. The CWI mediates for this group. The intention was to start the project with just a small group of clients. Therefore, to start with the participants in the project were new benefit claimants who were single people between the ages of 17 and 45 with no children. There were no other specific reasons for choosing this category. After several months the age threshold was raised to 23. The programme had proved far more expensive for the municipality with respect to young people since they receive a lower benefit than other recipients.

The target group has slowly but surely expanded over the years. The municipality currently distinguishes four different groups:

- A. new benefit claimants, single and with partners, aged between 23 and 65
- B. existing benefit recipients, single and with partners, aged between 23 and 65
- C. new benefit claimants, single parents with children over the age of 5.
- D. existing benefit recipients, single parents with children over the age of 5.

Until the beginning of 2007 the programme was not open to clients over the age of 50¹ or single parents with children under the age of 12.

The programme is the same for the participants from each of these groups. The only difference is that single parents are given a year to find a regular job while the maximum term of the contract for other participants is six months.

A further selection criterion is that the participant must be capable of progressing to regular work within six months. Since there is relatively little supervision within the programme, the *Werkvoorzieningschap Noord-Kennemerland* (WNK) only admits individuals with very few if any impediments. The case managers were given training in the selection of candidates beforehand. However, even with training the actual selection is often based on instinct.

Focus2Move

The target group of Focus2Move (F2M) is made up mainly of existing clients of the municipality's Work and Income teams. In theory, the programme is open to every benefit claimant with an obligation to look for work. If an individual's problems are too complex, he or she is referred to the municipality's care teams. F2M is also intended to serve as a safety net for benefit claimants who are not admitted to the *LBU* programme or who have dropped out of that programme without any prospect of finding regular work. These clients can then join the F2M programme immediately. New benefit claimants can also be referred to the programme if the case manager suspects that F2M is the appropriate instrument.

¹ The municipality cannot in fact force clients aged 57½ or older to participate since they are not obliged to look for work. The municipality does look for other alternatives, for example in the sphere of social activation.

As with *LBU*, the age limits for participation in F2M are 23 and 65. The target group also includes single parents with children over the age of five, while in exceptional cases young people may also be admitted to the project, for example teenage parents or former prisoners. They are assessed on a case by case basis.

Individuals who do not qualify to participate in F2M include those with a joint benefit from the UWV, young parents, people taking part in a social activation programme and people who can only work for a very small number of hours.

The participants in F2M should in theory be capable of finding regular work within a year. However, this is not a firm requirement for participation in the project since participants can also join the *LBU* programme for six months after completing F2M.

The municipality recently created the position of reference manager, whose job is to refer clients to the *WNK*. If a consultant feels that the *LBU* or F2M programme would be a suitable instrument for a new client, the potential participant is sent to the reference manager who decides which programme is actually suitable.

1.3 Activities

The municipality of Alkmaar has subcontracted both Work First projects to the local sheltered work company *WVK Bedrijven*. Alkmaar also looked for a private sector partner for F2M and finally selected the reintegration company Agens. Of the 300 clients that the municipality wants to admit to the F2M programme each year, 200 go to *WVK* and 100 to Agens. The project with Agens is still in the start-up phase. There are currently (August 2007) 25 people working in F2M.

When *LBU* started the municipality expected the *CWI* to refer roughly 38 clients a month to it, of whom 25 would actually be placed with *WVK*. The number of clients referred by the *CWI* has indeed fluctuated around 38, but in the beginning the number of clients that were actually placed was far lower than forecast. Fewer than 50% of the clients that were referred were placed rather than the projected 70%. The main reason for this was that almost a quarter of the people that were referred were unsuitable for placement and another 12% did not fall into target group of the Work and Social Assistance Act. The referral procedure has improved during the course of the project and a higher percentage of referrals are now actually placed.

The participants in both programmes (*LBU* and F2M) immediately receive the minimum wage and therefore lose entitlement to benefits. The work they perform for this wage is carried out at the sheltered work company. Participants in *LBU* work alongside other employees of the sheltered work company. The participants in F2M work together in a separate area.

Contract

LBU

The participants are employed by WNK. The wage is similar to the minimum wage. The working week is 36 hours, or 32 hours for single parents.

Participants in LBU are initially given a contract for three months, with a possible extension for up to three months. The early period is devoted to learning more about the participant. The second phase is dedicated to helping the participants to find work. The cut-off point was in fact fixed at three months to give WNK the possibility of refusing to offer an extension of the contract to participants who refused to work or failed to perform their work properly. Since recently it has been possible to offer the participant an alternative programme in that event. If necessary, the client can transfer to a long-term programme with more intensive supervision, which might be F2M or any of the other long-term programmes purchased by the municipality from WNK.

F2M

In principle, clients taking part in F2M have a contract for 32 hours a week but in practice many participants are not capable of working the full number of hours immediately. The case manager therefore decides how many hours would be realistic for each individual. The number of hours then gradually increases to the number of hours agreed in the contract. Even if participants don't work for 32 hours they receive the minimum wage for the number of hours stipulated in the contract.

The F2M programme lasts 12 months. Six months is regarded as too short to help find work for the members of this target group who have serious impediments. The year is divided into three semesters. The first two months is an orientation phase during which the participants have time to grow accustomed to the routine of work and their capabilities are assessed. The second phase is the development phase, which lasts four months. During this period various instruments are used to tackle the problems encountered by the participants. The final six months are devoted to the search for regular work. The municipality has built in a milestone after ten months. If at that time the WNK does not expect the participant to find work within the agreed twelve months the municipality will intensify its mediation effort by hiring an employment agency. If twelve months proves too short a period, the participant can then always still switch to the LBU programme. The project has only been running for a few months so it is still too early to say how it will work in practice.

Instruments

The two projects in Alkmaar differ greatly from each other in terms of the instruments used. The LBU programme has a limited range of instruments. The target group for this project is expected to be able to find regular work relatively easily. The F2M project, by contrast, is all about the use of instruments since it is designed for people facing obstacles to finding work. The obstacles they face must be removed before they can return to the labour market.

LBU

LBU is a single-minded programme. The principal objective was to prevent new claimants entering the social assistance scheme. The most important instrument is in fact the existence of the project itself, which causes clients to stop claiming benefits or actively look for a job themselves. Only in the course of the project has more attention been given to finding work for this group.

A number of activities are undertaken to help participants to find work.

- First, the contract is divided into two parts in the belief that two shorter contracts will encourage the participants to explore the labour market more than one long contract.
- Some training is also provided. The training is initially for two hours a week over four weeks. There was no training for some time due to staff shortages. The training was later extended to 2½ hours a week for nine weeks. The training initially concentrated on job application skills but was later expanded to include employee skills.
- In principle there is no education, although short courses are occasionally offered, such as lessons in operating a forklift truck or a language course.
- WNK's consultants use their contacts with employers to help participants who are ready for regular work to find a suitable employer.
- The participant can receive help in applying for jobs (for example, help in writing a letter or being accompanied by the consultant to a job interview).
- The WNK also offers employers the option of providing a trial placement, a wage cost subsidy or a secondment at a reduced rate.

Participants can of course have a personal interview with a consultant, but *no* firm agreements are made in advance on the number of hours of supervision the client will receive or the form of supervision. This depends very much on the participant's personal situation and the consultant's methods and case load.

F2M

By contrast with the LBU programme, the use of instruments is the key to F2M. The municipality plays a central role in determining which instruments will be used. It starts by interviewing clients to identify their current situation and determine the appropriate instruments. This 'baseline measurement' is used to draw up a reintegration plan, which forms the basis of the participant's activities in the F2M programme in the succeeding twelve months. Every conceivable instrument can be used. The project has not yet been running long enough to identify all the possible instruments. A crucial element is in any case personal attention, not only from the consultant but also the attention the participants receive from the interaction with fellow participants in the programme. A lot of care is also provided for the participants in the project. For example, debt counselling or social welfare assistance is arranged for any participants requiring it. The regular agencies arrange appointments at the WNK's workplace. Language courses and exercise classes are also organised. Another instrument that is used is a work placement for a few hours a week to allow the participant to learn about the company. This practice was only introduced very recently however.

There are plans to provide follow-up for a year for everyone who completes the programme, but since no one has yet completed the programme the details of the after-care still have to be fleshed out.

The project is directed by the municipality. Before every step that is to be taken for a participant it has to consult the WNK, and for this reason, and to maintain contact with the participants, a consultant from the municipality will shortly be assigned to the WNK for several days a week.

Consequently, the activities are all carried out internally at the WNK. This is good for the participants but also for the F2M programme, since there is direct contact with the social workers and service providers and there is no doubt about whether or not the client is cooperating with the programme.

The municipality relies heavily on an employer strategy to ensure that this group will in time actually find work. Through its close contacts with employers it has a clear impression of future staff shortages and uses the information to train the participants in the F2M programme.

A significant difference between F2M and other programmes is that it is not rigid. There are no standard paths that the participants must follow. Activities that could be useful are discussed with the participants themselves.

Sanctions

Since the participants in the LBU and F2M programmes are employed by the WNK they must follow the rules in the same way as with a regular employer. Employees who do not work are given a warning and after a third warning they are dismissed. The contract includes an explicit clause stating that refusal to cooperate in looking for regular work can lead to dismissal.

The WNK and the municipality have agreed that meetings to discuss a second warning will be attended not only by a representative of the WNK, but also by an official of the municipality. At the meeting the participant is informed that if he or she breaks any more agreements the employment will be terminated and their entitlement to a benefit will be also be temporarily suspended. In other words, the participant faces sanctions. The severity of the sanction depends on the situation. Once the punishment has been served, the participant generally returns immediately to the LBU or F2M programme.

1.4 Features of the work process (division of tasks)

Social service and sheltered work company

There are significant differences between LBU and F2M in terms of the collaboration between the municipality of Alkmaar and the WNK. WNK is solely responsible for the LBU programme, while one of the features of F2M is that the municipality retains firm control of the programme.

LBU

When the LBU programme started there was scarcely any contact between the municipality and the WNK. Agreement was reached at management level that the direction of LBU would be delegated entirely to the WNK. The municipality's case manager registers a participant by sending basic information about the client and an evaluation of his or her eligibility to the WNK. He must do so within 48 hours of registration. The client then has to apply personally for an intake interview. When the target group was expanded to include existing benefit claimants it was agreed that the client would have a meeting with representatives of the municipality and the WNK at the time of registration.

In the beginning there were no agreements concerning the feedback of information about the participants. The municipality only took note of the participant again if he was dismissed. To regain control over this group it was agreed that before a participant was dismissed a meeting would be held (at the time of the second warning) and an official from the municipality would attend.

Since the introduction of F2M the flow of information has changed slightly. Clients who are ineligible for the LBU programme, for example because they drop out after the first month, are now placed in F2M. The change of programme must be discussed in advance with the municipality so the municipality is notified at an early stage if things are going wrong with a participant.

F2M

A distinctive feature of F2M is that the programme is directed by the municipality. When a benefit claimant has been informed that he or she will be joining the F2M programme a meeting is arranged with the claimant, the WNK and the municipality's F2M case manager. The employment contract is signed at this meeting. There are no specific agreements on the period within which this meeting must take place although it is often arranged within two weeks.

All of the activities performed under the employment contract take place at the WNK. Meanwhile, the case manager has regular contact with the participant and the WNK's consultants. At the moment there is insufficient contact with the participant. The original intention was that the case manager would be based at WNK for two days a week but this plan fell through because the case manager was transferred internally. There is however almost daily contact between the WNK and the case manager. There are also regular meetings of a project group (once a week) and at client level (once a fortnight). If the project continues longer the project group will meet less frequently. It has also been agreed that WNK must report on each client at the end of each phase.

The collaboration at executive level is very good but is proving more difficult at management level. An important reason for this is that both the municipality and the sheltered work company have to become accustomed to their new roles; the former has to tighten its control of the project while the latter needs to relax its grip.

Sheltered work company

The WNK's consultants are responsible for the clients. Ideally a consultant has a caseload of roughly 35 employees. These may be either LBU participants or participants in another programme offered by the WNK. Two separate consultants have been appointed for F2M. The consultant conducts the intake interview and another interview at the end of a month's probation period. Otherwise there is no formal contact between the participant and the consultant. What contact there is varies depending on the consultant (how much time they have) and the participant (how much counselling they need). The consultant does visit the workplace regularly to keep in touch with the clients. On the work floor the clients are monitored by supervisors who report any problems they encounter to the consultant. There are no specific agreements about the frequency of contacts between the supervisor and the consultant.

Contacts between the consultant, the supervisor and the participant are more frequent in F2M than in the LBU programme. On the one hand this is because the target group is more complex and requires closer supervision, and on the other it is also possible since only a small number of consultants are responsible for the participants and the participants are all working under the same supervisor. The lines of communication are therefore shorter.

Finances

The municipality finances the LBU and F2M programmes from the Work portion of the grant provided under the Work and Social Assistance Act. It has been agreed that the WNK will pay the participants in the LBU programme the minimum wage. It can reclaim these costs from the municipality, with deduction of an average of 20% for production capacity. It also charges for the costs of training and administration. The WNK does not receive a premium for participants who move off benefits and into work.

1.5 Strengths and weaknesses

Success factors

LBU

The key to the LBU programme is its effect as a deterrent to new benefit claimants. Some claimants withdraw their application when they hear that they have to join the programme. The effect is reinforced by the fact that participants can enter the programme immediately. The speed with which the WNK can provide work for people because of the size of the organisation is therefore one of the success factors of the project. Some of the participants that join the project find a regular job through WNK's contacts. This network is also mentioned as a success factor.

The LBU programme is successful for benefit claimants who can find work without intensive supervision. A positive factor for these clients is the fact that they receive a wage rather than a benefit since earning a wage has a positive effect on their self-esteem while also giving employers the assurance that the participant has recent work experience.

F2M

F2M only started a few months ago so it is not yet possible to confirm the success factors referred to by the municipality and WNK in practice. The success factors that were mentioned are that the municipality retains control, the participant comes first, the lines of communication between the municipality and the sheltered work company are short, there is intensive supervision of the clients by the WNK, every possible instrument is used, steps are taken to remove obstacles in a working environment, the municipality targets employers and follow-up is provided for another year after completion of the project.

Potential improvements

LBU

Everyone concerned describes the LBU programme as a single-minded programme, which is also one of its weaknesses. The project is only suitable for clients who require little or no assistance in returning to the labour market. Consequently, the WNK referred many of the people who registered with it back to the municipality and the drop-out rate is relatively high. With more intensive individual supervision of the participants and more attention for removing obstacles and helping with job applications this programme would also have been suitable for other groups. In a nutshell, little attention is given to improving the participants' prospects in the labour market. Although both the municipality and the WNK approved the limited ambition of the instrument at the start of the project they both became dissatisfied with the possibilities offered by the project after a while. They both felt that it was simply shuffling participants around the system without improving their position in the labour market. However, there are no firm figures on how many participants leaving the programme find permanent work.

F2M was launched to fill these gaps in the original project. The project is therefore clearly intended for a different target group. The intention is to avoid shuffling people around between the LBU programme, unemployment benefit and social assistance. Another important area in which F2M represents an improvement over LBU is that the municipality maintains tight control over the programme. It had delegated responsibility for the LBU programme entirely to the WNK.

F2M

It still remains to be seen what will come of the plans for F2M. One snag that has already been discovered is the fact that the municipality's consultant is still not based at the WNK, most of the participants work at the WNK and there is still not enough attention given to work placements. Another criticism is that having collaborated in the same way for years, the municipality and WNK have to change the nature of their relationship. It is understandable that they are still feeling their way around with this new form of collaboration in which the direction lies with the municipality and WNK is responsible for individual supervision.

Conclusion

The municipality of Alkmaar initially focused on a particular category of new benefit claimants. Alkmaar's first Work First project, *Loon boven Uitkering* was therefore characterised by light supervision. The participants were given work in the sheltered work company while efforts were made (together with the participant) to place them with a regular employer. Slowly but surely the target group was expanded from single people without children to single parents with children and from new benefit claimants to existing benefit claimants.

After some time both the municipality and the WNK noticed that the original structure was not adequate for all the groups that were registered. Some of the participants dropped out, remained longer than expected in the LBU programme or started claiming benefits again after finding a temporary job.

Together they decided to establish a more extensive variant, Focus2Move. The distinctive feature of F2M is that it focuses on the participants and the supervision they require. The participants gradually increase the number of hours they work and there is intensive contact with a consultant. The supervision can also take any form they wish. Since F2M only started recently it is impossible to pass judgment on the effect of this method.

A striking feature of the approach in Alkmaar is that LBU and F2M are two extremes. In the first programme there is little supervision, while in the second the supervision is very intensive. The role of the municipality also differs greatly in the two variants. The implementing agency was entirely responsible for directing the LBU programme. In F2M the municipality has taken a radically different approach and has assumed complete control of the project and hence also more control of the LBU programme.

Unfortunately, it is not yet possible to judge the effectiveness of the two methods or to say which method works best for which group of clients on the basis of the information available in Alkmaar.

1.6 Quantitative data

The following quantitative data relate to *Loon boven Uitkering*. Because Focus2Move only started recently there are no data available about it. However, there are high expectations for this project and the municipality expects that 60-70% of the participants to make the transition to regular work.

Municipality of Alkmaar, *Loon boven Uitkering*, started on 1 October 2004

Population ¹	94,216
Number of claimants ²	1,980
Change in the number of claimants	-11%

The following table presents some of the results of the *Loon boven Uitkering* programme. The first three indicators are taken from Divosa's benchmark.

	Municipality of Alkmaar	Average in benchmark
Preventive outflow *	18%	38%
Outflow to work ◊	29%	45%
Continuing to receive benefits +	63%	28%
Dropped out of project ●	Not available	n.a.
Percentage of participants ◻	Not available	n.a.

* Preventive outflow: participants who register with the CWI and are eligible for a Work First project but do not ultimately participate in the Work First project.

◊ Outflow to work: the number of participants who find a regular or temporary job as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

+ Continuing to receive benefits: the number of persons receiving social assistance benefit without participating in a project or another reintegration programme as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

● Dropped out of project: the number of clients who drop out during the programme, do not re-register for a benefit and do not find a regular job through the project as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

◻ Average number of participants per month in the first half of 2007 as a percentage of the total number of benefit claimants on 1 June 2007.

¹ Source: Kernkaart, reference date 31-12-2006. Ministry of Social Affairs.

² Change in the number in the period 31-12-2005 – 31-12-2006, source APE.

2 Case study Alphen aan den Rijn

Start	new benefit recipients: October 2005 existing benefit recipients: January 2006
Target group	new and existing benefit recipients
Objective	employment
Wage or retention of benefit	retention of benefit
Simulated work environment/regular employers	regular work environment simulated work environment
Number of places available	15-20 ¹

2.1 Origin

The municipality of Alphen aan den Rijn observed that many local authorities were introducing Work First programmes following the introduction of the Work and Social Assistance Act. The municipal Work and Social Assistance Department was at that time also thinking of ways to manage the size of the population claiming social assistance. Alphen consulted various other municipalities in devising its own Work First scheme. An important discovery it made during this orientation phase was that an approach solely devoted to work activities could have a strongly preventive effect but would be too limited to achieve a permanent reduction in the number of benefit claimants. The municipality's plans therefore placed considerable emphasis on capacity building.

In May 2004, Alphen aan den Rijn presented a memorandum entitled Work and Income setting out its policy on work and social assistance. This document set out the municipality's long-term vision and its plans for a Work First programme. Under those plans, from October 2005 new benefit claimants would be targeted in the Alphen Activerende Aanpak (A3). Since 1 January 2006 the same approach has also applied for existing benefit recipients.

In the municipality's original plans, work activities were provided in three different 'tracks'. A project manager was hired from StimulanSZ to implement the plans. The project manager had previous experience in setting up a Work First scheme in Hilversum, where benefit claimants were given several weeks of intensive training prior to the work programme. Partly on the recommendation of the external project manager, it was decided to include a similar academy in the A3 scheme. The training in the academy fits in with the municipality's view that work activities alone are not enough to enable participants in the programme to find permanent employment.

¹ No firm agreements were made on the maximum number of clients that could participate at different stages in the A3 programme at the same time. When the A3 programme was introduced, roughly 15 people started the programme each week representing a monthly intake of 60 people.

The idea of the academy also helped to remove the initial scepticism felt by some local councillors.

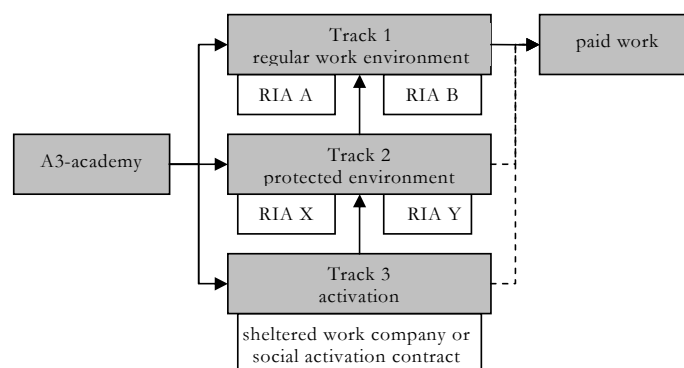
2.2 Target group

The programme applied for new benefit claimants from October 2005 and for existing benefit recipients from 2006. Participation is compulsory for every benefit recipient up to the age of 65 unless there are obstacles that make it impossible or inadvisable for a client to participate, for example if someone has serious psychological problems or if there is a risk that the client will seriously disrupt the group process. That is a decision for the case manager. If they are unsure case managers can arrange to have an individual's suitability assessed by an external agency. This usually involves a medical (and perhaps a psychological) examination. There is no extensive test of the individual's suitability for the academy. The examination is performed by the same agency that is used later in the programme to visit the homes of participants who call in sick or are absent.

2.3 Activities

The A3 programme consists of a training period with intensive supervision followed immediately by a work placement with a regular employer or in a simulated work environment. Clients who are not yet able to work are assigned to a social activation programme. In that case, it depends on the client's personal situation whether this activation programme is designed to help them find work or prevent social exclusion.

Figure 1 Diagrammatic representation of the Work First scheme in Alphen



The procedure for new benefit claimants is as follows. The municipality and the CWI first discuss the possibilities in the regular labour market with the client. Clients are therefore given a period of up to three weeks (depending in part on when the A3

academy starts) to search for work before they submit a benefit application. If they are unable to find work in this period they start at the A3 academy. Since January 2006 this approach has also applied for all existing benefit recipients, who also start with the A3 academy. At the beginning a new group of ten to fifteen persons (consisting of both existing benefit recipients and new claimants) started every week. Now that the pool of existing benefit claimants has been 'exhausted' and the number of new claimants is declining, a new group now starts every three weeks.

The academy lasts three weeks. In addition to counselling by the CWI, participants receive 24 hours a week of training, education and any additional assistance they require (such as psychosocial help or debt counselling). During this period clients are taught various work-related skills such as how to present themselves, how to plan work, how to combine work and care tasks, etc. The academy has three purposes: prevention, to stimulate clients and to make a diagnosis. A new group starts every three weeks. The A3 academy is run by an external agency, which also provides training courses for companies. When they complete the academy the participants are sent on a work placement.

Participants can be assigned to one of three tracks, each of which lasts up to six months. The most promising clients are assigned to the first track. They are placed with regular employers and supervised by one of the two reintegration companies involved in this track. The members of this group are expected to be able to find a paid job within six months. Clients who will have more difficulty finding work are assigned to the second track. Their work placement is in a protected working environment with a regular employer and not in a simulated environment. There are also two reintegration companies involved in this track. Clients who are not yet able to work are assigned to a social activation programme (third track) organised by the municipality.

Clients in tracks two and three can progress to a higher track after six months. If they are unable to do so, they have an interval of six months and then continue in the same track.¹ The emphasis during the interval is on personal responsibility. The interval was instituted partly for budgetary reasons, but also to avoid a situation where benefit recipients were constantly at work (the working poor). After a break of three months the participants are interviewed to discuss how to proceed. Otherwise the participant has little or no intensive contact with the case manager. To prevent participants becoming stuck in the same track the point of departure is never to use precisely the same instrument.

¹ Persons who are not obliged to look for work may (after an individual assessment) continue in the third track without the interval.

2.4 Features of the work process (division of tasks)

The case manager meets the participants at regular fixed times and otherwise supervises at arm's length. The participant meets the case manager for the first time within a week of registering with the CWI. During the hour-long interview the case manager determines whether the client is suitable for the A3 programme and whether there are any impediments. Obstacles that frequently emerge are the need to care for someone and child care. The A3 academy's hours (from nine in the morning until three in the afternoon) were fixed to allow participants to combine attendance with care tasks. In practice arranging child care is still often a problem even though the municipality reserves some child care places specifically for benefit claimants.¹

In the last week of the A3 academy the trainer makes recommendations for the next phase. The participant and the case manager then meet to discuss the recommendations and the case manager then decides in which of the three tracks the client will be placed. Two different reintegration companies are used for track 1 (regular employer) and track 2 (sheltered work placement with a regular employer). The municipality decided to use two reintegration companies for both tracks so that it could compare their performance. This means that the clients should be allocated *randomly* to one or other reintegration company. In practice, the case manager decides which reintegration company the participant will be sent to. Clients are seldom placed in track 3 (social activation). Depending on their personal situation, additional services are sometimes also purchased from the reintegration company for participants in track 3.

The intake interview with the reintegration company ideally takes place during the last week of training but this is often impossible because there is no place immediately available. Participants can generally be placed within two weeks. The case manager fades into the background after the placement. Within three weeks of the participant's placement the reintegration company draws up a plan and submits it to the case manager for approval. The case manager also receives monthly progress reports. The case manager and the reintegration company have regular contact although the frequency of their meetings varies from one reintegration company to another and also depends on the client's progress. Case managers only actually visit the company personally if there is a specific reason, for example because a participant is breaking the rules.

A final report is produced at the end of the six months. Participants who have not found work meet the case manager to discuss the results achieved and what to do next. One option is to extend the programme once by a further three months. This does not happen often. The participants generally have a period without work after the six months. Depending on their abilities and the progress they have made the participants are then placed in the same track or in a higher track.

¹ The municipality guarantees payment of the fees for the reserved places. Parents arrange child care in accordance with the Child Care Act and the money is refunded by the tax authorities and the child care desk. The municipality bears the costs of anyone who drops out during the academy.

2.5 Strengths and weaknesses

Success factors

Adopting a positive approach is regarded as crucial. In the municipality's view, 'bullying' will not help people to find permanent regular work. Although policy officials assume that a programme with purely work activities will have a preventive effect in the short term, they are dubious about whether it will last. The idea behind the A3 academy (an idea shared by the municipal council) was that intensive training could improve the labour market position of everyone concerned. The academy gives clients the feeling that they are taken seriously. The training is intended to give clients an intrinsic motivation as well as knowledge and skills that are useful in searching for a job. Many participants seem to appreciate the diploma that is awarded at the end of the training period. The positive approach only works if everyone concerned conveys it. All of the case managers and the consultants of the reintegration company have been given special training in that respect.

Like other municipalities, Alphen stresses the importance of prompt action and continuity, particularly for the participant's attitude and daily routine. The training and the group process in the A3 academy instill a positive and active attitude in many participants. After two weeks they are generally motivated and have established a good daily routine. If they subsequently have to sit at home for too long they will quickly lose this fundamentally active and positive attitude.

Another critical factor, according to the policy officials, is the way in which the case managers steer the reintegration companies. With the 'direction model' (arm's length direction by the case manager) used in Alphen it is particularly important to make clear agreements about the results and the process. Although the parties must all contribute to moving the participants off benefits and into work, ultimate responsibility lies with the case manager. The reason, according to the municipality, is that the interests of the case manager and the client (finding work) correspond most closely. The reintegration companies have a commercial interest in addition to the desire to secure employment for participants. There are therefore calls in the municipality to delegate not only the direction but also the implementation of the programme to the case managers. Case managers sometimes feel that they are too confined by the three-track system and have too little scope to supervise participants themselves. This is therefore an aspect that could be improved.

Potential improvements

Speed of action and continuity were already mentioned as two factors the municipality regards as very important for the success of the programme. It is particularly important that clients are placed in a work programme as soon as they complete the A3 academy. In the beginning the reintegration companies were often unable to meet the deadline of two weeks for a placement but that has now changed. A noteworthy aspect of the programme in Alphen is the interval, or rest period, for participants when they have completed a track. The question is whether the attitude and employee skills acquired by the participant will ebb away without the pressure of the work programme. It would

be advisable to thoroughly investigate whether the clients do indeed assume personal responsibility during the break as the municipality assumes.

The municipality is far from satisfied with the results achieved by the reintegration companies. This has two direct consequences. First, the municipality does not intend to renew the contract with some reintegration companies that have performed unsatisfactorily. Secondly, the municipality wants to give case managers greater influence over their clients. Case managers currently exercise control at arm's length, particularly once a client has entered one of the tracks. The municipality wants to be more closely involved in the entire process, particularly for the sake of continuity. To increase their own influence and create more opportunities case managers increasingly contact employers themselves. At the same time, they have found that employers need a central contact person or desk. This is one of the reasons why they are involving employers more closely in the programme. The municipality has already hired a consultant to streamline the communication between the municipality and the employers already involved in the programme and to expand the network.

This potential improvement (tighter direction by case managers) is part of a more widespread desire on the part of municipalities to involve employers more closely in the entire reintegration process. The municipality realises that employers ultimately have a decisive role to play in moving benefit claimants into work. It is therefore useful to involve them closely in the reintegration process and to shift the focus from the supply of labour to the demand on the employers' side.

The collaboration between the municipality and reintegration companies would be helped by closer proximity. A lot of straightforward communication (such as the distribution of lists of absentees) is done in writing. This is cumbersome and increases the distance from the case manager/municipality. The sheltered work company, where the reintegration companies and the A3 academy are also located, is in a different building to the local authority and the CWI. The cooperation would function more smoothly if case managers could just drop in on consultants occasionally, and vice versa. This doesn't happen at the moment and that is a situation that cannot change in Alphen. Both policymakers and implementing agencies urge municipalities that are planning Work First programmes to consider establishing all the parties at the same location since it will benefit the collaboration, communication and mutual understanding.

However, case managers also say that, despite their close proximity, there is still room for improvement in the cooperation between the local authority and the CWI and between separate departments within the municipality. Case managers feel that the CWI in particular should play a more prominent role, particularly in mediating for clients with excellent job prospects who are currently 'passed on' too easily. At the moment, the CWI has no active role in the A3 programme. The case managers also feel that the gap between implementation (Work and Social Assistance department) and the purchase of products (Welfare and Education department) is too great. With the current procedure a wide range of products are purchased for which clients have to be found. Case managers felt that the products that are bought are not all useful or necessary.

Gearing the purchase of the products to the needs of the client would, they feel, lead to greater efficiency and permit greater customisation of services. This doesn't happen at the present time. Case managers would in any case like to provide more feedback to the procurement officers.

Finally, the case managers refer to a shortcoming in the division of tasks. To make a comparison between the two reintegration companies used for each track the clients have to be allocated on a purely random basis. In fact, one of the reintegration companies performs significantly better than the other. Case managers are familiar with the different reintegration companies and are also accountable for the number of clients in their own caseload that find work. From the case manager's perspective it therefore makes sense to refer their own clients (and especially the clients that are easier to place) to the better-performing reintegration company. This makes it difficult to compare the reintegration companies. An additional risk is that a reintegration company that performs relatively poorly will be sent too few (good) clients to achieve a good record in terms of reintegration. A company must be sent at least enough clients to allow it to make good agreements with employers, to organise internal processes, etc. Prescribing a minimum number of clients could break the downward spiral.

2.6 Quantitative data

Population	71,004
Number of benefit claimants	830
Change in the number of benefit claimants	-3%

At the moment this report was finished, the official statistics about preventive outflow, outflow to work, dropouts etc were not yet available.

3 Case study Hoorn

<i>Features</i>	Sheltered work company	Reintegration company
Start of Work First	1 January 2005	1 January 2006
Target group	route A3	route A1
Objective	employment and social activation	prevention and employment
Wage or retention of benefit	benefit	minimum wage
Simulated work environment/ regular employers	simulated working environment	regular employer
Average number participants per month	5	10

3.1 Origin

Even before the introduction of the Work and Social Assistance Act the municipality of Hoorn was considering ways of further improving the service to its clients. The basic idea was to make the organisation more customer-friendly and result-oriented. The introduction of the Work and Social Assistance Act in 2004 prompted the municipality to think even more carefully about changes to the social security system both because it was required to do so and because of the increased opportunities the act afforded. Various initiatives have been developed in Hoorn to curb the number of new benefit claimants and reduce the length of time that people receive benefits. Hoorn was, for example, one of the first local authorities to adopt a strategy to involve employers more closely in reintegration.

The municipality has also had a Work First programme since 2005. Initially, participants in the scheme worked while retaining their benefits. Since 2006 benefit claimants with good prospects of finding a job have received the minimum wage for the work they perform in the Work First programme. They are employed by a reintegration company, which invoices the local authority for the wages and administration costs. The municipality doesn't have to pay benefits. The costs are paid from the work portion of the Work and Social Assistance Act grant. Consequently, the expenditure has shifted from the income portion of the municipal budget to the work portion, which yields a clear financial advantage for the municipality in practice.

3.2 Target group

At national level the CWI divides its clients into route A and route B. Clients in route A are able to work and to look for work. The CWI remains responsible for this group for the first six months. Clients in route B have serious personal problems that prevent them from working and are referred to the local authority.

Hoorn makes a further distinction in route A between route A1 and A3 (there is no route A2). Clients in route A1 have good prospects of finding a job and are employed by the private reintegration company. They are therefore paid a wage and placed with a regular employer, either immediately or after working for two weeks in a simulated working environment. Clients in route A3 are also likely to find work but cannot be placed immediately with a regular employer. Members of this group are placed with the sheltered work company and retain their benefits while working there.

The Work First approach applies for every client in route A. Hoorn started with new benefit claimants and has since extended the programme to existing benefit recipients.

3.3 Activities

The municipality of Hoorn's approach to Work First has probably remained truest to the original concept as developed in Wisconsin. Prompt action is essential in this approach. The point of departure is that job seekers who apply for a benefit must be able to start work immediately, the idea being that the longer a person remains idle the more their chances of finding work deteriorate. Job seekers must remain active and not be given the chance to remain idle if they are retain (or acquire) work experience and the routine of work.

In Hoorn's programme job seekers are given ten working days to find a job from the time they apply to the CWI. Depending on the diagnosis made by the CWI, there are then two possibilities:

- The CWI assigns clients for whom direct mediation is possible to route A1. After the search period they are employed directly by the reintegration company and receive the minimum wage.
- Clients who will find it relatively difficult to find a job are assigned to routes B and A3 by the CWI and start working while retaining their benefits. They sign a contract to this effect with the municipality's sheltered work company.

Reintegration company

Job seekers are employed by the reintegration company with retroactive effect from the time they register with the CWI. The vast majority are then placed with a regular employer within several days of the intake meeting with a consultant. According to the municipality, this reintegration company won the tender mainly because of its network of local employers. The company also used to provide sheltered work for schemes under the predecessors to the Work and Social Assistance Act. The principle is that all work is suitable. Participants must accept any job. Any training provided is short term and is generally only provided if the participant has a job guarantee. When offering a job the reintegration company considers factors such as accommodation, transport, etc. The consultants are not responsible for dealing with other problems such as debt, child care, etc. Where those problems arise they simply refer the participants to the local authority and this sometimes causes problems.

The consultants reject a small proportion of job seekers because they are not immediately fit to start work with a regular employer. Examples they gave include former prisoners and people who have been receiving unemployment benefit for many years. Placing them immediately would often lead to disappointment because they are not used to the routine of work and/or lack motivation. In the past, employers have been disinclined to offer another place after such a disappointing experience. This is one reason why the reintegration company created a packing business for this group, which represents between 5 and 10% of the total, where they perform simple packing work under the guidance of a supervisor. The packing business has three purposes:

1. Changing the mindset of the employees: to allow the participants to get used to work (work routine, motivation, etc).
2. Continuity: the basic idea is that everyone will be placed and placed quickly. To make sure this happens, the packing company is used to fill the gap for anyone for whom there is no regular place available within a week.
3. Further diagnosis: After the interview with the consultant it is not always immediately clear to what extent the problems relate to a person's motivation.

The packing work lasts for two weeks. This is too short a period to improve the participants' position in the labour market, nor is the work intended to. The packing business is an experiment. In theory, the reintegration company uses the revenues generated by the packers to pay the supervisor and the rent for the building.

The company offers employment contracts for a period of four months. The work is for 28 hours a week and is generally unskilled work. The programme also includes additional activities for a maximum of eight hours a week. The participants are expected to take part in a 'job application club' for one afternoon a week during which they have to write at least one application letter. Everyone receives advice from the consultant.

Both the consultant and the CWI contribute to a weekly 'vacancy booklet', which contains a list of vacancies (generally for unskilled work) that appeared in local newspapers and magazines in recent weeks. Meanwhile, the consultant calls the companies concerned to enquire why applications were rejected. This information provides input for subsequent job applications and at the same time gives the consultant an opportunity to maintain or expand his network. The consultant also contacts the client twice or three times a week. The supervision is more intensive if problems arise than if the client and employer feel that the participant is performing well.

Sheltered work company

The CWI assigns clients who can start work immediately to route A1 and they qualify for the *Werk Direct* programme with the reintegration company. The other clients are grouped in route A3 (able to work but with problems) or route B (unable to work). These clients receive benefits. The case manager decides which reintegration programme is most suitable for each individual. Depending on their specific problems, they may be registered with the local authority's sheltered work company.

Participation in *Werk Direct* is not mandatory for clients in route B. For these clients the work activities are generally related to social activation. The municipal case manager selects a programme according to the obstacles they face. Any work they do is performed at the sheltered workplace. The participants retain their benefit while they are working.

Clients in route A3 are able to work but there are obstacles that prevent them from finding a job. The first step after registration with the CWI is to identify the nature and the implications of these obstacles. The municipality may also decide to place these persons itself, for example in the landscaping service. The underlying idea is the same but the sheltered work company is not involved.

Clients working for the sheltered work company retain their benefits. The municipality bears the costs of the benefits and the administrative costs. The costs of the benefits are paid from the income component of the municipal Fund for Work and Income (FWI) and the reintegration costs from the work component. The activities are organised for 28 hours a week for six months. In exceptional cases the programme can be extended.

3.4 Features of the work process (division of tasks)

New clients who are assigned to the A1 route are given ten days to search for a job. They then have a second interview with the case manager (from the CWI or the municipality) who then registers the client with the reintegration company the same day. Two days later the client has a meeting with a consultant from the reintegration company to discuss the client's personal situation after which the consultant draws up an action plan.

After the interview the reintegration company offers the client an employment contract (for new benefit claimants effective from the time of registration with the CWI) and the individual signs an agreement setting out a number of rights, but also duties (arriving on time, accepting suitable work). Consultants are in fact also able to dismiss a person during the probation period. This happens occasionally, always in consultation with the municipality or CWI. There must be a good reason for dismissal. The employment can be for 32 or 36 hours a week. Participants who attend the job application club work for 28 or 32 hours respectively.

The employer with whom the participant is placed pays a fee to the reintegration company after the first month. The consultant and the employer meet at fixed times. After the first and the second week the consultant calls the employer to discuss the situation by telephone. In the third and fourth week the consultant visits the employer.

From the moment the person is employed by the reintegration company the municipality no longer plays any direct active role in the process since he or she is no longer receiving a benefit. However, the individual is referred to the municipality if other

problems emerge (such as debts or psychological problems) which fall outside the responsibility of the reintegration company. Naturally, the municipality receives feedback. Municipal case managers follow the client's progress at arm's length. Once a week they receive a report on the number of participants in the programme and copies of any warnings or dismissal letters that have been issued. A written report on each client is produced after 3½ months (just before the end of the contract) and if they find permanent employment. The municipality feels that the situation is in fact changing. Case managers say they have been monitoring progress more intensively in the last six months and are more actively steering the process.

There is immediate contact if, for example, a participant is ill or fails to appear for work. Case managers also have regular meetings with the account manager at the CWI. Half a month before the end of the employment contract there is a meeting between the municipality's mediator, the reintegration company's consultant and the client.

3.5 Strengths and weaknesses

Success factors

Asked to describe the strengths of the *Werk Direct* programme in Hoorn everyone involved refers to the speed of the process. They feel it is essential to place a client in work within a week of the end of the ten-day job search period. One municipal case manager remarked that sitting at home is not only bad for a person's work routine and CV but particularly for the client's attitude. A downward spiral quickly sets in. Participants agreed with this.

A second basic condition is the need to make clear and straightforward agreements (including sanctions) and to communicate them clearly to the client. This is referred to as explaining the 'rules'. What should you do if you are sick? What happens if you arrive late or do not come to work at all without any reason? The rights and duties are clearly explained beforehand. The reintegration company also includes these rules in an agreement that the participant has to sign. Drafting and communicating clear principles is only useful if they are then enforced. The real importance of this is that it sends a clear signal to participants that breaches of the rules will be punished. Particularly in the sheltered work company (a difficult target group), officials say that a strict approach is clearly needed for some clients.

Another point made relates to the intensity of the programme. The reintegration company's consultants have a relatively light caseload. At the moment there are three consultants to 30 clients. The company regards this caseload as too small. The reason is that there are very few A1 clients at the moment; the company used to employ 80 clients. Because of the light caseload consultants are able to make contact with the clients twice or three times a week. By getting to know the client better they can provide better support for them. The problems of the clients at the sheltered work company mean that they need a lot of supervision anyway.

A fourth essential condition mentioned by everyone concerned is the cooperation within the chain. In that respect it is ideal that case managers from the municipality and the CWI are in the same building: the Work and Income Building (GWI). The reintegration company and the sheltered work company are both within walking distance. The lines of communication are therefore short. The partners in the chain all feel that whenever they need to consult on anything they can quickly find the right person.

The structure differs from that in many other municipalities in that participants with a good chance of finding a job receive the minimum wage rather than a benefit. This is appreciated but is not decisive. In that context, a municipal case manager remarked that a far more important motivating factor is that by participating in the programme the participants avoid the CWI and the social service. Clients confirm this. They regard the contact with the social service as an infringement of their privacy and freedom of movement. They also feel that the procedure is pedantic and bureaucratic and encourages a sense of dependency and uselessness. The municipality acknowledges this. A municipal case manager agreed that the main incentive provided by paying a wage is the avoidance of contact with the CWI and social service and only then the wage itself.

Potential improvements

The collaboration between the chain partners is not yet optimal.

One of the clients spoken to said that she needed a more comprehensive approach. When she registered with the CWI this woman was offered an exemption from *Werk Direct* because she had to take care of her children. She didn't want the exemption because she feared it would lead to isolation, loss of work routine, etc. She was therefore employed by the reintegration company. When the respondent told the consultant that she had debts and problems in arranging child care the reintegration company merely referred her to the municipality since those problems were not the company's responsibility. Although the woman could take her problems to the local authority she would still have problems arranging child care and taking her children to and from school until a solution was found. She was also upset that debt counselling is separate from the work programme. In her view, the requests for help to the municipality were totally isolated from the work programme. She also felt it was a pity that the company she was placed with was only looking for full-time employees, which was impossible in her situation. The respondent feels that the current structure takes too little account of private problems. Although the respondent is highly motivated she found the procedure inflexible in some respects and consequently her initial enthusiasm faded. However, she is very impressed with the activities actually provided by the reintegration company. She does not blame the consultants that they are not able to deal with all the problems.

Although this case reflects the experiences of just one person it does show that there is room for better coordination.

There is also room for improvement at the sheltered work company. In that company's view, the programmes don't focus enough on finding a job. According to the supervisors, the participants take three steps forward during the six months of the programme only to take two steps back again when that period is over. In their experience there is

too often no adequate follow-up to what was achieved in the six months. This is because the supervisors know the clients well while the municipal case managers operate at arm's length. Since recently the sheltered work company has actually been able to address this shortcoming by arranging trial work placements with employers. However, because the company's target group is made up of clients who are difficult to place this option will in practice only be open to a few of them. Nevertheless, according to the supervisors it is worth making a greater effort to find employment for difficult groups. With the new structure they can start trying to do this. They should consult the municipality to see how it can support this process.

Conclusion

The effectiveness of the project at the sheltered work company is still clearly limited. There is insufficient follow-up to the programme. Although the situation has recently changed, it is not yet possible to measure the effect of the changes.

The project at the reintegration company seems far more promising. Clients are in principle placed directly with regular employers. An original idea was the packing business, which is used to provide people who cannot be immediately placed with an employer due to the loss of work routine and/or motivation with two weeks of work experience. The two-week period seems to be long enough to make a further diagnosis. The question of course is whether it is also long enough to spark their motivation and enable them to become accustomed to the routine of work. The packing business is still in the experimental phase.

Speed is a vital and fundamental aspect of the process in Hoorn. Clients with inadequate job application skills attend a job application club. The consultants also provide intensive counselling on how to apply for jobs. Their caseload is small. A positive detail is that the consultants investigate the reasons for the rejection of job applications by calling the employers afterwards. They use the information gathered as input for subsequent applications and their enquiries also allow them expand their network of employers.

The reintegration company makes a considerable effort to foster the contacts with employers. A positive aspect is that the consultant and the employer have contact at regular intervals. After the first and second week the consultant calls the employer to discuss the current situation and in the third and fourth week the consultant visits the employer.

3.6 Quantitative data

Population	68,152
Number of benefit claimants	1,185
Change in the number of benefit claimants	-13%

The following table presents some of the results of the programme in Hoorn specifically relating to the construction with the reintegration company. The figure of 19% for preventive outflow represents people who were registered with the reintegration

company by the municipality but did not actually start the programme. Some potential participants have already dropped out even before then. According to the municipality, the CWI excludes an average of 70% of its clients. This percentage includes people who refuse to participate in Work First but also other target groups. Of the 30% that are reported to the municipality, some are registered with the reintegration company. As already mentioned, 19% of them did not start actually start the programme.

Figures on participants who have started receiving benefits are only available for the whole of 2006. In that year 9% of the participants ultimately ended up receiving social assistance. That figure includes people who first received unemployment benefit.

	Municipality of Hoorn	Average benchmark
Preventive outflow *	>19%	38%
Outflow to work \diamond	46%	45%
Still receiving benefits +	9%	28%
Dropped out of project \bullet	not available	N.a.
Percentage of participants \square	not available	N.a.

* Preventive outflow: participants who register with the CWI and are eligible for a Work First project but do not ultimately participate in the Work First project.

\diamond Outflow to work: the number of participants who find a regular or temporary job as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

+ Continuing to receive benefits: the number of persons receiving social assistance benefit without participating in a project or another reintegration programme as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

\bullet Dropped out of project: the number of clients who drop out during the programme, do not re-register for a benefit and do not find a regular job through the project as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

\square Average number of participants per month in the first half of 2007 as a percentage of the total number of benefit claimants on 1 June 2007.

4 Case study Meppel

Start	1 January 2005
Target group	new benefit claimants (Phase 1 to 4)
Objective	prevention and employment
Wage or retention of benefit	municipal allowance at social assistance level
Simulated work environment/regular	simulated work environment
Number of participants	Over the whole of 2005: an average of 11 per month

4.1 Origin

The authorities in Meppel were already dissatisfied with the slow pace at which social assistance applications were being handled even before the introduction of the Work and Social Assistance Act. A period of three months often elapsed between the application for a benefit and the start of a programme. During that time the applicants become less employable because they become unaccustomed to the routine of work and a gap appears in their CV. Case managers remarked that benefit applicants do not actively apply for jobs during that period because they are concentrating on the benefit application itself. According to the municipality, such a long period of inactivity is a major reason why too few people were moving off social assistance.

Before 2004 Meppel felt there was little it could do to change its procedures. Since the introduction of the Work and Social Assistance Act municipalities have been able to formulate their own policy on social assistance. Simultaneously, the act created the financial necessity to reduce the number of benefit claimants. When the Work and Social Assistance Act entered into force on 1 January 2004, Meppel was therefore one of the first municipalities in the Netherlands to introduce Work First. In that year the local authority and the CWI, neighbouring municipalities and the work placement agencies launched a project called *Werk Nu*. This project started as a pilot scheme on 1 January 2005. The principal goal of the project is to enable participants to maintain a work routine and so not lose touch with the labour market.

Werk Nu was introduced in phases. The scheme initially applied for new benefit claimants up to the age of 28. This target group was chosen first because youth unemployment was (and still is) an important political theme in Meppel. After an internal evaluation which showed that the programme was yielding good results, the age limit was raised to 36 in October 2006. Since March 2007 the scheme has applied for all new benefit claimants up to the age of 57½.

4.2 Target group

A distinctive feature of Meppel's programme is that every new benefit claimant qualifies to participate in it, in other words everyone in Phases 1 to 4.¹ It was consciously decided to restrict the project to new benefit claimants. *Werk Nu* is intended as a stepping stone to work and is regarded as mainly useful for clients with a relatively good chance of finding work. According to municipal case managers, the problems of individuals already receiving benefits generally cannot be resolved solely by establishing a work routine and acquiring employee skills.

The basic assumption behind *Werk Nu* is that people are able to perform work. This criterion is strictly adhered to. Exemptions are only granted for people with serious psychological problems. The local council has also insisted that mothers with children under the age of five should be treated leniently and they therefore qualify for a partial or total exemption if it is difficult for them to combine work with care tasks and child care.

4.3 Activities

When a client registers with the CWI in Steenwijk an appointment is made for a joint intake interview with the CWI and the municipality. The intake interview is held within ten working days. At this interview the background and purpose of *Werk Nu* is explained and the new client is informed that he will have to start work immediately the following day in a simulated working environment. The sheltered work agency Reestmond has set up a separate department for this activity. The employees perform light production work. The municipality selected Reestmond because of its infrastructure, its contacts with employers and its good track record (including its previous history of providing subsidised jobs). The municipality had less happy experiences with reintegration companies and scarcely even considered using them to implement the programme.

The work is for 20 hours a week over four days. A supervisor from Reestmond monitors the work. The work placement lasts three months. Although it can be extended by three months that very seldom happens in practice and then only in special circumstances, such as illness.

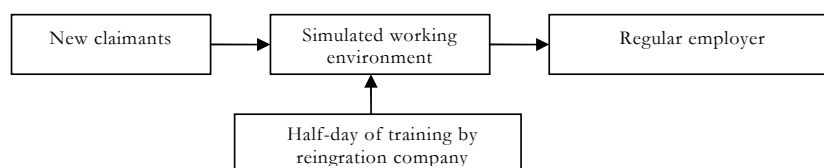
Every Monday there is also an intensive job application course. The training is provided for half a day each week at Reestmond's offices. The instruction was originally given by the supervisor but the system was changed because combining the functions of 'boss' and 'trainer' in the same person did not always work in practice. Since March 2007 the training has been subcontracted to a private reintegration company.

¹ Meppel does not yet use the system of routes. It classifies clients according to phases.

The course consists of eight standard modules. During the course the participants are taught how to present themselves, how to write a good application letter, etc. They are also given assignments to do at home.

The new clients do not receive benefits during the three months of the programme. Instead they receive a monthly allowance financed from the work component of the municipal Work and Income Fund. The allowance consists of the standard social assistance payment plus five euro. Participants can apply for social assistance if they have not found a job at the end of the three months.

Figure 1 Diagram of the Work First scheme in Meppel



The supervisor actively helps participants to find a job during the three months of the programme. Every day clients can spend half an hour looking through a folder with vacancies. Participants in the *Werk Nu* programme are required to apply for jobs and must react to at least one vacancy every week. The job application course is built around actual vacancies.

Information about new vacancies is acquired through various channels. The most important source of vacancies is the *Werkgeversplatform Arbeidstoeleiding Meppel* (WAM), which is subsidised by the European Social Funds and whose members include several local trading associations, the CWI, the municipality of Meppel and Reestmond. The aim of WAM is to guide benefit claimants on the books of the municipality and the CWI into regular work. The platform closely involves employers in the reintegration process. The employers are approached in various ways according to their interests. This means that an effort is made to relieve employers who provide vacancies of as much work as possible and they are not charged any mediation costs.

In addition to the job vacancies notified by WAM, case managers inform the supervisors directly of any vacancies they are aware of. The supervisors also use their contacts with employers to gauge the demand for new staff. Participants may also decide to respond to a vacancy personally. Reestmond's supervisor will often accompany them to job interviews and always does so if the employer has sent the supervisor a specific vacancy with a job profile. In that case the work supervisor accompanies four or five individuals whom he feels are suitable on a visit to the employer. This visit is compulsory for the participants concerned and they may not refuse to attend.

Employers can hire participants in the *Werk Nu* programme in various ways. The first is a work placement. This is a position for a trial period of up to three months with the stated intention that the employer will then offer the participant an employment contract. During the probation period the participants continue to receive

the training allowance (the same amount as the standard social assistance benefit) and remains under the supervision of the supervisor. In this case, the work placement is a component of the *Werk Nu* programme. Alternatively, or additionally, the employer may be offered a wage cost subsidy for a maximum of two years. The wage cost subsidy is determined in consultation with the municipality on the basis of the client's productivity. The municipality is in fact trying to phase out subsidised work. In practice a supervisor often proposes a probation period of two weeks.

4.4 Features of the work process (division of tasks)

The CWI and the municipality jointly arrange the intake into the programme. Participants in the *Werk Nu* programme receive an allowance from the municipality with retroactive effect to the date of registration. There is therefore no application for social assistance. After the intake interview, the CWI plays no further role in *Werk Nu* apart from notifying Reestmond (via WAM) of vacancies.

Participants have to report to Reestmond the day after the intake interview where they are shown around by the supervisor and given their work instructions. They then start work. With 700 employees (mainly in sheltered work) Reestmond is the largest employer in the region. The work they do is highly diverse: cleaning of green space and streets, construction, metal work, woodworking, furniture making, manufacture of life jackets, printing, packing and assembly, cleaning, etc.

The participants in a *Werk Nu* scheme work in a separate area. This was a conscious decision based on experiences in the municipality of Steenwijkerland, where participants with good prospects of finding work and participants requiring a sheltered working environment initially worked along side each other. Both groups had problems accepting this and some placements consequently failed.

It has been agreed with the municipality that participants in the *Werk Nu* programme will always have priority in the allocation of work. In the (hypothetical) event that there is no work for them, to guarantee continuity some of the participants in sheltered work placements at Reestmond will stop work.

The municipality feels that the decision to stop allowing Reestmond to offer both courses and work was a correct one although the separation of the tasks has led to a practical problem. The effectiveness of the training is difficult to establish objectively. The municipality generally measures the performance of the services it purchases on the basis of targets for the number of participants finding work. The effectiveness of the training can only be partially measured by comparing the outflow before the services of the reintegration company were used with the subsequent situation. However, this does not isolate the effect of the training. The question is whether participants find employment because of the work experience, the training, other activities, their own qualities, the situation on the labour market or a combination of factors. In assessing the training the municipality therefore relies partly on the experience of the individuals concerned. These are positive. Everyone is satisfied

with the training, although one female participant, who is currently engaged in her second three-month period, felt that it was not useful to do the same eight modules again.

The case manager directs the process at arm's length. He and the work supervisor talk on the telephone every day. There is little or no consultation between the trainer and the case manager. During the conversations they discuss progress. The case manager may decide, particularly if the daily conversations indicate that the client is not making good progress, to arrange a meeting with both the client and the work supervisor. After three months Reestmond produces a final report. If the work ends after three months the case manager and the client meet to decide how to proceed. This interview is generally unnecessary in the exceptional event that the client is granted an extension.

Responsibility for applying for social assistance benefit after three months rests with the participant. At the start of the *Werk Nu* programme participants were called in by the CWI after three months of work. In practice this often went wrong so it was decided to get participants to complete an application form, which the CWI then uses to start the application procedure.

4.5 Strengths and weaknesses

Success factors

Informing clients about the programme, communicating with the participants and making clear agreements are decisive for the success of the project. The individuals concerned agree that the communication is good in Meppel, although the municipality expected the work activities and the communication to have a greater preventive effect. The actual 'preventive outflow' proved slightly disappointing. The implementing agencies have found that almost everyone is reasonably positive about *Werk Nu*, with the exception of young people.

Another crucial point is that everyone involved must remain 'on top of things'. Participants must not be allowed to sit back and relax, which is achieved by the speed and continuity of the process.

Finally, the success of the project depends heavily on the qualities of individuals. The abilities of the work supervisor are particularly important, since he or she has to supervise the work activities and at the same time respond to the individual needs of participants in making the transition to the labour market. The work supervisor also has to maintain contact with employers. Finally, he or she has to help the participants make the transition to work. A work supervisor must be able to operate independently in this complex domain. At the moment there is considerable satisfaction with the performance of the work supervisors.

Potential improvements

Various people remarked that the CWI currently plays a very limited role in *Werk Nu*. One reason for this is that Meppel has no CWI office of its own but relies on the office in Steenwijk. This makes coordination and cooperation with the municipality very difficult. Nevertheless, both policy makers and implementing agencies feel that the CWI should play a more prominent role in the project in Meppel, particularly in terms of mediation for clients with better prospects of finding a job. The CWI could also help in developing closer involvement in the programme by employers.

Another aspect where there is room for improvement is the final step to work. The stakeholders feel there is a task for the CWI in the employer strategy. The respondents also felt that the municipality should adopt a more commercial approach. That will become even more important if the WAM ceases to exist in a year's time. Ideally the employer strategy should lead to the creation of a 'pool of companies' in addition to Reestmond's contacts.

4.6 Quantitative data

Population	31,063
Number of benefit claimants	505
Change in the number of benefit claimants	-7%

The following table presents some data about the results in Meppel. There are no figures for preventive outflow available.

	Municipality of Meppel	Average of benchmark
Preventive outflow *	not available	38%
Outflow to work ◇	17%	45%
Still receiving benefits +	15%	28%
Dropped out of project ●	11%	n.a.
Percentage of participants □	21%	n.a.

* Preventive outflow: participants who register with the CWI and are eligible for a Work First project but do not ultimately participate in the Work First project.

◇ Outflow to work: the number of participants who find a regular or temporary job as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

+ Continuing to receive benefits: the number of persons receiving social assistance benefit without participating in a project or another reintegration programme as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

● Dropped out of project: the number of clients who drop out during the programme, do not re-register for a benefit and do not find a regular job through the project as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

□ Average number of participants per month in the first half of 2007 as a percentage of the total number of benefit claimants on 1 June 2007.

5 Case study Oss

<i>Features</i>	Oss
Start of Work First	1 October 2004
Target group	Unwilling but able
Objective	Prevention and employment
Wage or retention of benefit	Wage
Simulated work environment/ regular employers	Simulated work environment
Number of places available in project	50

5.1 Origin

The municipality of Oss realised some years ago (2001) that some of the clients on their books did not *want* to work despite being able to do so. The municipality had the impression that in addition to collecting benefits these people were also earning money elsewhere although this could not be proved. This observation led to the idea of starting a project specifically for this group. In 2001 the project could not be financed and there was insufficient political support for it. That situation changed with the introduction of the Work and Social Assistance Act and Oss put its ideas into practice with a project called *Werkende Weg*. The project started on 1 October 2004. In 2007 the local council agreed to change the programme's status from a project to a regular service.

5.2 Target group

The *Werkende Weg* programme was established for clients for whom the existing reintegration programmes did not work (existing benefit recipients) or would probably not work (new benefit claimants). Participants are only admitted to the programme if the consultant believes that the project will enable them to support themselves within 24 months. The consultants generally arrange for a medical examination by independent experts to check whether complaints put forward by clients genuinely prevent them from participating in *Werkende Weg*.

In other words, the selection of the target group is not based on firm criteria but more on instinct. There is a lot of discussion within the municipality about who does and does not belong to the target group.

The target group is therefore people who can work but currently lack the motivation to actually look for a job. Clients are usually referred to the programme if they are suspected of working illegally, the assumption being that if they are forced to be somewhere for 36 hours a week (in *Werkende Weg*) they will automatically stop claiming benefits.

In practice the target group is highly diverse. It can include people who have been working illegally for years and petty criminals, but also single mothers who have stayed at home for years. Many of the new benefit claimants are in fact clients that are already well known to the municipality, the so-called revolving door clients.

5.3 Activities

The Work First programme in Oss is run by a local reintegration company. The project can cater for 50 clients at a time; in the first six months of 2007 the average number of participants was 46. Clients are employed by the reintegration company as soon as they register with the *Werkende Weg* programme and hence receive a wage rather than a benefit. From that time on the reintegration company is responsible for the client. The municipality consciously chose this construction, first of all because labour law offers greater possibilities for sanctions against people who refuse to work and secondly because it is more socially acceptable to dismiss people for refusing to work than to cancel their benefits for refusing to join the programme. One of the persons interviewed put it as follows: “people have a right to a benefit, people with an employment contract have a duty to work”.

Contract

Participants initially receive a contract for two months. This can be seen as the diagnostic phase. If during this period it becomes clear that the participant is unable to work in a simulated working environment (for example due to severe psychological problems), he or she is referred back to the social service. During this period the social service also establishes whether the new benefit claimants are actually entitled to social assistance and therefore qualify for a place in *Werkende Weg*.¹ After the initial two months the participants are offered a six-month contract. Participant who have not found work at the end of this period are given a third and final contract. The length of this contract depends on the individual concerned. Someone who is not expected to find work in the short term is given a longer contract than a person who is expected to find work quickly. Clients can stay in the project for up to 12 months. Although the project has been running for almost 35 months no participant has actually ever done so.

An employment contract with *Werkende Weg* is for a working week of 32² or 36 hours. The clients work on the principle of “pay for performance” and are only paid for the hours they actually work in the project. The participants are paid on the basis of the minimum wage. They generally perform simple production work. The participants also receive an hour of counselling from a consultant at least three times a week. Together with the consultant, they explore the possibilities of finding work as quickly as possible. Together they draw up a CV, look for vacancies and write application letters. The consultant generally accompanies the participant to a job interview. The

¹ If the person is not entitled to a place in *Werkende Weg* the contract is not extended.

² For single persons (including single parents).

aim of the consultant is to motivate the client to return to work and to provide specific tips on how to realise that.

Instruments

The *Werkende Weg* programme employs various instruments to promote the return of participants to the regular labour market.

- The first is the obligation to work for a salary. The expectation is that clients who can support themselves in some other way will do so. In practice, however, this effect is relatively small.
- The participants are also given intensive counselling by a consultant. The consultant tries to motivate the client by exploring what the client is capable of. They review what the participant has done in the past and does in his spare time. They then actively apply for jobs that match the client's capabilities. Together they write a CV, look for vacancies, write application letters and attend interviews. The reintegration agency finds vacancies through the regular channels and through its own contacts in the field.
- One of the ways in which clients can support themselves is by starting their own company. This is a suitable option for this group of clients and the *Werkende Weg* programme therefore helps participants who want to start their own business.
- If necessary, the client can also follow a course. This instrument is only used if the client is genuinely motivated and/or can demonstrate that following such a course will actually lead to regular work. Language classes can also be provided as part of a dual process (a combination of work and language training). If participants are offered training they are obliged to attend and their presence is strictly monitored.
- The *Werkende Weg* programme also tries to remove obstacles to work. Debt counselling is an important component of the service. When the project started debt proved to be one of the major stumbling blocks for this group of clients so a special debt counselling department was established as part of the project.
- The participants are not given training in specific skills, such as job application training or social skills training. This was a conscious choice since the target group is not suited to this type of training. The participants are not typically willing to sit quietly at a desk. Nevertheless, these skills are developed in a less formal manner. The work supervisors who are responsible for supervising the production work devote attention to employee skills on the work floor (for example, not smoking except during breaks and not drinking coffee at the work bench). Job application skills are addressed during the interviews with the consultant.
- Initially clients were seconded to regular employers with a view to allowing them to progress to regular work. The clients themselves often suggested possibilities for a secondment. However, at the end of the placement it emerged that the reintegration agency SHD had been misled by the client and the employer. Up until the last moment the employer was positive about the client but when the secondment was coming to an end and the client was to be hired as a regular employee, SHD's request was refused. SHD then started thinking about the pros and cons of various constructions and reached the conclusion that a trial work placement for a month or a short work placement would be a better stepping stone to a regular job

since it is more likely to be converted into a regular contract. It is also now keeping tighter control in arranging such placements.

- Once a participant has found regular work the *Werkende Weg* programme provides follow-up for six months. The follow-up consists of contact by telephone with both the employee and the employer. The contact is fairly intensive to start with, at least on the first day of work and then every week during a trial placement. This is followed by contact every month. If things appear to be going wrong the contact is intensified. Contact is also maintained with many clients in the context of the debt counselling programme.

Sanctions

The success of the project depends on sanctions because some people in this group refuse to work. In the regulation governing the programme the municipality has stipulated that anyone who refuses to join the *Werkende Weg* programme or is dismissed from it will in principle lose their entitlement to social assistance for three months. When these three months have passed the client will be registered with the programme again. They will not receive any benefits. If the client again refuses the sanction will be imposed for six months and a third refusal leads to indefinite suspension of benefits.

Control and sanctions continue to play an important role even when the clients are participating in the programme. The most important incentive in that case is the “pay for performance” principle since if clients don’t appear for work they don’t get paid.¹ The participants are also not paid for the first two days of sick leave and there is an immediate check to confirm that they are sick. To prevent clients from using their training to avoid the principles of the *Werkende Weg* programme their attendance at the course centres is checked.

Participants who do attend the *Werkende Weg* programme’s work centres but fail to cooperate in the activities receive several official warnings and are then dismissed. Whether an incident leads to a warning depends on the specific situation and the individual concerned. The decision is taken by the reintegration agency after reviewing all the circumstances. One of the factors is whether there are sufficient legal grounds for dismissal (has a proper file been kept documenting the insubordination?). Participants who have been dismissed are not entitled to benefits for three months and then they return to the project.

¹ A punch-in clock was recently introduced.

5.4 Features of the work process (division of tasks)

Social services and reintegration company

The project was set up in close collaboration between the municipality and the reintegration company. The original structure was inadequate. The work placements with employers were unsuccessful. The target group proved more complex than expected and staff had to be hired specifically for this group. With hindsight the work space was also unsuitable for production work so that in the beginning the time was not put to any practical use. The project has gradually assumed its current form. The reintegration agency makes suggestions based on practical experience and they are usually accepted by the municipality. Flexibility and short lines of communication are regarded by both parties as the most important features of their cooperation.

The candidates are selected by consultants from the municipality or the CWI. They make their selection on the basis of previous experience and instinct. There are no firm selection criteria. If in doubt the municipality's project manager for the *Werkende Weg* programme is consulted. The consultant informs the participant about the project and registers him with the reintegration company, providing the company with as much relevant information about the individual as possible. After registration an appointment is made for the intake interview, which is attended by the consultant from social services, the consultant from the reintegration company and the participant. The participant then signs the employment contract.

The participant can then start work at the reintegration company the next day. The social services' consultants have no further direct involvement with the client, although the municipal project manager for the *Werkende Weg* programme discusses the progress of the various participants with officials¹ of the reintegration company every fortnight. Any problems that the social services can help with are also raised at this meeting (e.g. debt counselling and arranging child care).

Participants reappear on the municipality's radar screen if they are dismissed from the programme. They then have to report to the social services for an interview about the sanction (initially three months without benefits). At the end of the three months they are instructed to report back to the *Werkende Weg* programme.

The reintegration company provides follow-up for six months for participants who leave the programme to take up a job. If the participant becomes unemployed again during this period he returns to the *Werkende Weg* programme with no extra payment by the municipality.

Reintegration agency

The lines of communication within the reintegration agency are also short. It is a relatively small company. The director and the executive assistant make the decisions from the head office. There are also two consultants, two work supervisors and two

¹ The director, a work supervisor, the executive assistant and sometimes a consultant.

debt counsellors engaged in the project. The director and executive assistant are kept informed about the project by the others. One method of communication is a digital registration system in which the employees can all record their comments about the participants. The agency's employees also have regular meetings. The work supervisors and the debt counsellors are located in the same building. The reintegration agency's two consultants visit the work site three times a week. After every visit the team discusses the situation of all the participants and reviews what needs to be done to achieve the desired result. This information is passed on to the head office (director and executive assistant) via the registration system where the necessary decisions can be made (for example, to issue a warning or send the participant on a course).

Finances

The municipality pays the gross wage costs of participants in the *Werkende Weg* programme from the Income component of the Work and Income budget and the other costs from the Work component. If the SHD is able to place 50% of the participants in employment for six months every year it receives a premium of € 30,000. It receives an additional € 1,300 for each additional person that finds employment. Finally, it has been agreed that SHD can retain 10% of the hiring fee when participants are seconded.

5.5 Strengths and weaknesses

Success factors

One point to emerge from all the interviews is that *Werkende Weg* is a successful instrument for the target group comprising people who are unwilling to work. What makes the instrument a success? The first factor is that the clients are required to attend all day. Consequently, clients who already have other (paid) work during the day drop out. For those that actually participate in the programme the following two elements are important. Firstly, there is the personal attention given to the participants. What is striking is the individual attention the participants receive several times a week from the consultant. During these meetings the focus is on looking for work and increasing the participant's self-confidence. Participants can also join an internal debt counselling programme. This personal attention dedicated to increasing the participant's motivation is balanced by the strict regime that is followed in the project. An important instrument in this respect is the "pay for performance" principle which forces participants to actually go to work. Another success factor is the possibility to dismiss a participant and the ensuing suspension of benefit payments. It is not only these substantive aspects that contribute to the success of the project for this group. Certain aspects of the implementation of the programme are also crucial. The first is the short lines of communication between the reintegration company and the municipality. There is regular consultation and considerable mutual understanding and trust. It is therefore possible to respond quickly to unexpected situations, for example if certain elements of the programme prove less effective than expected. The interviewees also regard the choice of SHD, a small local reintegration agency, as a success factor. After all, because it is a local company it has a network of local employers. Moreover, because it is small and because its director is directly in-

volved in the programme the company can often quickly find creative and inventive solutions for any problems it encounters. Finally, everyone at every level of the organisation speaks the language of the participants.

In view of the success of the collaboration between the municipality and SHD they have also started programmes for a more difficult target group made up of clients with serious impediments to finding work.

Potential improvements

The interviews revealed scarcely any aspects that need improvement. Naturally there are some participants who feel the project is unfair. Their criticism is directed mainly at the simple production work that has to be performed. Clients say they want to work, but only if the work is useful.

Particularly at the beginning the project had teething problems. The staff members were not properly qualified to deal with this group and there were no activities to keep the group occupied because the work had not yet been procured. These problems were successfully addressed in the course of the project.

Not so much an area for improvement as a surprising element is the following. When the project began many clients were expected to stop claiming benefits as soon as they registered with Work First. This did happen but not on the anticipated scale. Apparently only a small number were able to make the switch from illegal work to regular work.

Conclusion

The project is targeted at a specific group and therefore supplements the existing reintegration instruments. The *Werkende Weg* programme was established for clients for whom the existing reintegration programmes don't work (existing benefit recipients) or probably won't work (new benefit claimants). There are no firm criteria for admission to the project, which is often based on a suspicion that the client concerned is working illegally.

A special feature of the project is the "pay for performance" principle, which means that participants in the project are only paid for the hours they are actually present. Another remarkably positive aspect is the arrangement for debt counselling within the project. Oss has had bad experiences with long-term secondment of clients to employers and instead uses a trial work placement for a month or a short work experience placement as a stepping stone to regular work.

Supervision of clients

Clients receive intensive counselling from a consultant in their efforts to find work. Together they draw up a CV, look for vacancies, write application letters and attend interviews. In this project, starting their own company is also seen as a serious option for benefit recipients. This is probably due to the special nature of the target group which is assumed to include many people who work illegally (e.g. painters).

Capacity building

Training is not a significant element of the project. Training is only provided if the client is genuinely motivated and/or can show that following a specific course will actually lead to regular work. The clients also receive no training in specific skills such as writing job applications or social skills. These skills are taught on the work floor or at the meetings with the consultant.

A feature of project is the fairly direct relationship between the municipality and the reintegration agency in which they jointly look for solutions. The size of the municipality and of the reintegration agency allows this.

5.6 Quantitative data

Municipality of Oss, *Werkende Weg*, started on 1 October 2004

Population	76,626
Number of benefit claimants	1,090
Change in the number of benefit claimants	-8%

The table below presents a number of results for the *Werkende Weg* programme. The first three indicators come from Divosa's benchmark. These figures show that the project is mainly successful in enabling participants to make the transition to work.

	Municipality of Oss	Average of benchmark
Preventive outflow *	not available	38%
Outflow to work ◊	17%	45%
Still receiving benefits +	15%	28%
Dropped out of project ●	11%	N.a.
Percentage of participants □	21%	N.a.

* Preventive outflow: participants who register with the CWI and are eligible for a Work First project but do not ultimately participate in the Work First project.

◊ Outflow to work: the number of participants who find a regular or temporary job as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

+ Continuing to receive benefits: the number of persons receiving social assistance benefit without participating in a project or another reintegration programme as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

● Dropped out of project: the number of clients who drop out during the programme, do not re-register for a benefit and do not find a regular job through the project as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

□ Average number of participants per month in the first half of 2007 as a percentage of the total number of benefit claimants on 1 June 2007.

6 Case study Eindhoven

Start	October/November 2005
Target group	New benefit claimants (Phase 2, 3, 4 and “to be defined”). Limited access for existing benefit recipients.
Objective	Prevention and employment
Wage or retention of benefit	Retention of benefit
Simulated work environment/regular employer	Simulated work environment
Number of places available	Unlimited

6.1 Origin

Like other municipalities Eindhoven is thinking of ways of reducing the number of residents claiming social assistance. The introduction of the Work and Social Assistance Act accelerated this process. Officials in the Work, Care and Income department were interested in the Work First concept as it was developed in Wisconsin. As in Wisconsin, officials in Eindhoven were convinced that using work activities to bully benefit claimants would not work. They felt it was important to investigate what particular obstacles prevented each client from finding work.

Eindhoven wanted to diagnose those obstacles itself (rather than leaving it to the CWI) and to retain responsibility for the entire process. To facilitate this, the municipality made a distinction between legitimacy (income) and effectiveness (work). In 2005 the municipal Work, Care and Income department set up the New Clients Team. Applications for social assistance are therefore entirely separate from the mediation in finding work in Eindhoven. There are Work case managers and Income case managers. The Work case manager doesn't wait until his colleague in the Income department has established whether a claimant is entitled to a benefit. A possible consequence of this is that a person is working by the time it becomes clear that he is not entitled to a benefit.

6.2 Target group

New clients register with the CWI. Following the intake interview the CWI assigns them to route A or route B. Route B includes clients with major impediments and little prospect of finding work. These clients are actually unable to work and are referred to the municipality's care team. The clients in route A are further broken down into classes A1 and A2. The former group consists of clients with a very good chance of finding work (similar to Phase 1). They remain in the CWI programme for six months. After two months there is an assessment of the action that needs to be taken and the prospects of employment for each individual. If it turns out that finding work for someone will not be so easy after all, CWI's consultant may decide to refer that person to the municipality. The consultant will automatically do so if a per-

son in route A1 has not found employment within six months. Clients in route A2 report directly to the municipality.

The CWI refers them to the New Clients Team. The New Clients Team uses various instruments in its efforts to get people back to work. Work First is one of them. The Eindhoven variant is called *Werk Direct*. Roughly three in ten A2 clients are placed in *Werk Direct*. Case managers may also decide to establish a programme for clients under their personal supervision. There are other employment initiatives involving the CWI, the UWV and the municipality. There is also a programme involving direct mediation in which Manpower plays a leading role. Case managers decide who will and will not be placed in the *Werk Direct* programme. There are no firm criteria, although the members of the New Clients Team do meet from time to time to discuss specific cases.

Because fewer people than expected have been registered with *Werk Direct*, the programme is also 'open on a modest scale' to existing recipients of social assistance.

6.3 Activities

There are two reintegration agencies involved in the *Werk Direct* project. For the sake of convenience we call them RIA I and RIA II. In principle they do the same work. One RIA provides the counselling itself and has subcontracted the work activities to a sheltered work company. The other also provides counselling but has also created a simulated working environment where the clients sent to it can work. The municipality's target is to arrange an intake interview within three or four working days of a person registering with the New Clients Team. The programmes last four to six weeks, during which period a diagnosis is made. Since 1 June 2007 progress has been measured in IW3, an electronic client monitoring system to which both the municipality and the reintegration agencies have access. During this diagnostic phase the reintegration agency draws up a reintegration plan. On the basis of that plan participants can then be placed in either a short-term or a long-term programme. The programme may also have a Work First component. These follow-up programmes last up to six months. If there is a Work First component it is often arranged at regular employers.

The participants work a total of 20 hours a week, or five half-days. Participants are supervised on the work floor by a supervisor (who is sometimes also a trainer). The programme also includes practical support activities for roughly ten hours a week. These activities include training in general practical skills such as using a computer. This support is directly or indirectly aimed at finding work. The question of what a person is able and willing to do is discussed during the training. Participants practice applying for actual vacancies. They retain their benefits while they are working. There is a lot of contact by telephone with the New Clients Team and the case manager, the reintegration company and the client meet if the client's situation gives cause to do so.

The sanctions are clear: two warnings for absence (without a good reason) lead to suspension of benefits. Arrangements have been made with the insurance company Achmea for an immediate examination of any clients who say they are unable to work.

RIA I

The participants in the simulated working environment perform simple work. When the project had just started there were no clients. The participants made wooden footrests which were then stacked against the wall which was not particularly motivating. Soon afterwards clients were found. The work is not intended to generate a profit. The work supervisor personally canvasses for orders and ideally they cover the production costs. Other work includes packing and labelling.

The reintegration agency issues the participants with a set of rules, including a list of rights and duties (show respect, do not wander through the building, do not eat while working, arrive on time, etc.).

In addition to the work, training is provided for ten hours a week. The integration agency has its own trainer who teaches the participants various practical skills directly relating to finding work, including how to use a computer, job application skills, looking for vacancies etc.

RIA II

RIA II performs the same work. Because the company has no simulated working environment of its own it has purchased one from the sheltered work company. The company receives far fewer clients than the 200 to 250 a year that municipality originally estimated. The number is actually around a tenth of that figure. Consequently, it is difficult for the company to release a work supervisor specifically to provide a good reintegration programme for this group. Clients are put to work among the participants in the sheltered work programme which is not conducive to progress. Another problem is that new participants arrive in dribs and drabs so that no group process can be built up during the training.

To resolve these problems the reintegration company has arranged an alternative procedure in which clients are assigned as soon as possible to a work placement with a regular employer. The objective is that after the work placement the employer will offer the participant regular employment. However, many employers feel the risk is too great. If this is a factor the reintegration company can second the client on a temporary basis to the regular employer as a stepping stone to regular employment. The secondment is arranged with a company affiliated to the reintegration agency. This method weans clients off benefits. Unfortunately, the municipality does not provide a wage cost subsidy for this scheme so the construction cannot always be used. Experiments with changing the reintegration company's role from that of carrying out assignments for others to that of employer are still in their infancy.

6.4 Features of the work process (division of tasks)

After registration with the CWI clients in route A2 are referred to the New Clients Team. Depending on the case manager's diagnosis, a client may be referred to a reintegration agency. *In principle* the clients are allocated randomly for the purposes of comparability. The case manager follows the clients' progress by means of the IW3 information system.

If consultation is needed one of the parties will call a meeting of the reintegration agency, the case manager and the client. Otherwise, communication is mainly by telephone. One of the reintegration companies is also makes a habit of arranging a meeting itself or occasionally visiting the New Clients Team. This is greatly appreciated.

6.5 Strengths and weaknesses

Success factors

An important success factor in Eindhoven is the position of the case manager, who is responsible for the process from beginning to end. The municipality feels this is particularly important because the reintegration agency ultimately has its own commercial interest at heart, which does not always correspond with the ambition of enabling clients to make the transition to permanent employment. To direct the process properly the case manager must keep the lines of communication short and know the clients well. Diagnosis is an important aspect of the case managers' work but one that could be further developed.

The capacity-building element is relatively extensive in Eindhoven with ten hours a week of training. Officials are convinced that Work First only has a deterrent effect for a small group, while capacity building can in fact be decisive. Work First has little point if its purpose is to bully. On the contrary, the aim of the project has to be to motivate and activate the participants. The project must give the participants a sense of being taken seriously and that they can actually do something. Motivation is decisive, according to the case managers.

According to the municipality, a practical success factor is the management of sick leave. Sick leave is often accompanied by complaints, feigned or otherwise. Under the arrangements made with Achmea about the control of sick leave anyone who is absent is immediately visited at home and given a medical examination.

Another success factor is the clear communication of rights and duties. The municipality provides clients with leaflets and the reintegration agencies inform the participants of the rules as soon as they arrive. It is important, for example, that a participant does not only discover the consequences of being absent when he is already sitting at home. Naturally the fact that everyone is treated in the same way does not mean that everyone receives the same type of supervision. The level of supervision depends on the specific problems that emerged from the diagnosis. The better the diagnosis, the better the programme. Transparency is another aspect of clear communication; especially with social assistance clients it is important to do what you promised.

Personal contact is a success factor. By chatting informally now and again the local authority and the reintegration agencies have the feeling that reintegration is a team effort involving both of them rather than the sense that they are two parties bound by a contract. Personal contact with the client is equally important. Presence on the work floor is very important for effective reintegration.

A minimum throughput of clients is another condition for success. Reintegration companies must receive a certain minimum number of clients if they are to create optimal conditions for helping the participants to find employment. Case managers are accountable partly for the number of clients in their caseload that find employment. From their perspective it is logical to send clients to a reintegration company that it trusts or whose performance is better. This makes it more difficult to compare the performances of the reintegration companies. One of the companies currently receives only a tenth of the number of clients estimated by the municipality at the start of the project. It is therefore impossible to provide a dedicated work supervisor for the Work First clients in the workplace and there are few participants in the training groups. It is a vicious circle, since the reintegration company concerned is sent fewer clients. This creates a downward spiral. The situation is not unique to Eindhoven; a similar mechanism occurs in Alphen aan den Rijn.

Potential improvements

The Work First programme is still 'owned' too much by TNK. The Work over Income principle should have a greater spill-over effect in the rest of the municipal organisation (and ultimately also in the rest of the chain).

A factor that needs to be considered is the manageability of the caseload. The more clients a case manager is responsible for the more difficult it is to get to know them properly, to make a proper diagnosis and to offer the most suitable reintegration programme. The current caseload for a full-time case manager is between 55 and 60 clients.

As in most other municipalities arranging child care is not easy. Waiting times can easily rise to three months. Despite agreements about places with crèches the problem remains.

Both reintegration companies say that the client monitoring system remains a weakness in the process. Clients are often not properly entered, information is not always available and the invoicing is sometimes 'a mess'. An additional danger of IW3, according to consultants, is that the system is used as a substitute for personal contact. This can lead to the meaning and nuance of remarks to be missed and cause misunderstanding. The system only went into operation recently and the hope is that it will eventually become a positive advantage when it is working properly.

6.6 Quantitative data

Population	209,716
Number of benefit recipients	5,525
Change in the number of benefit recipients	-6%

The following table presents a number of results of *Werk Direct*.

	Eindhoven	Average of benchmark
Preventive outflow *	not available	38%
Outflow to work ◇	59%	45%
Still receiving benefits +	0%	28%
Dropped out of project ●	not available	N.a.
Percentage of participants □	not available	N.a.

* Preventive outflow: participants who register with the CWI and are eligible for a Work First project but do not ultimately participate in the Work First project.

◇ Outflow to work: the number of participants who find a regular or temporary job as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

+ Continuing to receive benefits: the number of persons receiving social assistance benefit without participating in a project or another reintegration programme as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

● Dropped out of project: the number of clients who drop out during the programme, do not re-register for a benefit and do not find a regular job through the project as a percentage of the total number of participants less the number of persons still in the programme at the time of the measurement.

□ Average number of participants per month in the first half of 2007 as a percentage of the total number of benefit claimants on 1 June 2007.

Colofon

Work First and the prospects on the labour market is an expenditure of the Raad voor Werk en Inkomen.

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Vormgeving omslag: Smidswater
strategie > concept > design, Den Haag

ISBN 978-90-8766-022-2

<Februar 2008>