



Impact Evaluation of Ireland's Active Labour Market Policies

Connecting People with Jobs

Launch event, 13 March 2024



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The OECD-EC project seeks to improve countries' capacity to use linked administrative data for policy evaluation



**6 EU countries
(+ Canada*)**

Counterfactual impact evaluations

Country reports and synthesis report with lessons

Peer-learning events



**CAPACITY-BUILDING
OBJECTIVE**

- Strengthen the countries' analytical capacity

Impact Evaluation of Ireland's Active Labour Market Policies jointly authored by:

OECD



Department of Social Protection
Ireland



An Roinn Coimirce Sóisialaí
Department of Social Protection

European Commission
Joint Research Centre



**European
Commission**

*financed through a separate voluntary contribution



The analysis consists of three strands



Evaluation of **Community Employment** (direct job creation programme)



Evaluation of **Tús** (direct job creation programme)



Sequences of ALMPs



The Irish labour market has improved very significantly, but ALMP spending is low and focused on direct job creation

2023*

(change since 2013)



Employment rate



Unemployment rate



Long-term Unemployment rate



ALMP Spending**



74.3%
(+12.7 p.p.)

4.2%
(-10.1 p.p.)

1.4%
(-6.9 p.p.)

0.21%
(50% on direct job creation)



70.1%
(+5 p.p.)

4.8%
(-3.3 p.p.)

1.3%
(-1.5 p.p.)

0.43%
(9% on direct job creation)

* 2023 or latest available figure

** Refers to 2021; Active programmes without employment maintenance incentives

Source: OECD Labour Market Statistics



Community Employment and Tús are Ireland's two main direct job creation programmes for the long-term unemployed



Community Employment (CE)

- Placements 1 year, but **repeated participation common**
- Includes **training component** (only EUR 250 per participant)
- **Very large**: about 20 000 average annual participants
- Participants **apply for a placement**



Tús

- **1 year placement**, no extensions
- **No training** component
- Much **smaller than CE**, about 5 000 average annual participants
- **Randomly referral**, with some scope for self-referral



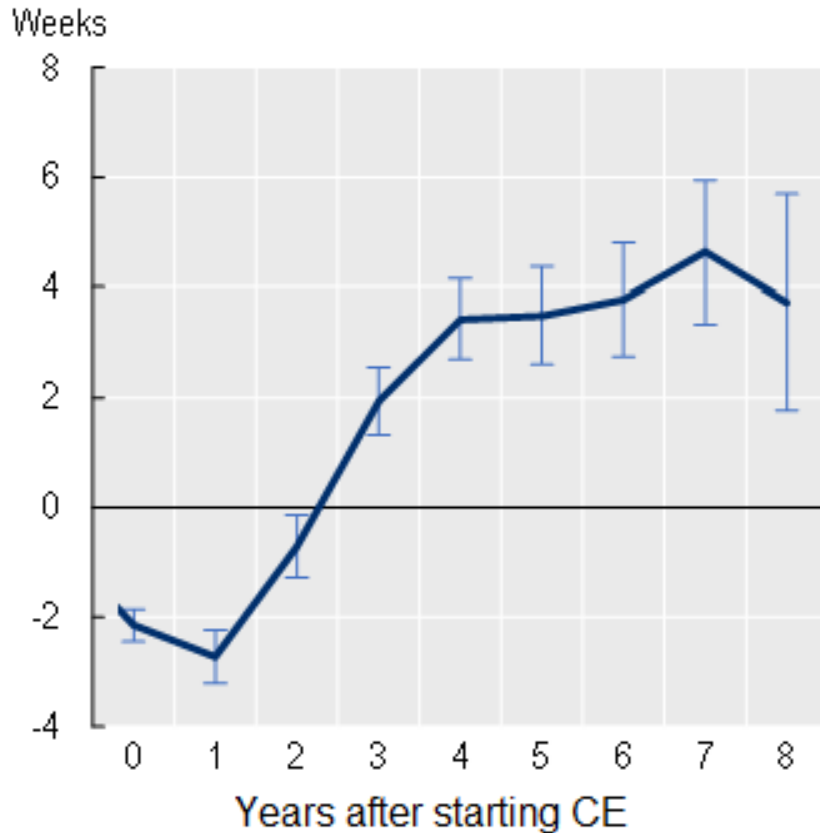
Out of all eligible individuals:

- Only **7.5% participate in CE**, 6.6% in Tús
- **17% never participate** in any of the schemes considered, nor in employment
- **Around 60% are employed without any type of support** at some point within 4 years from becoming eligible

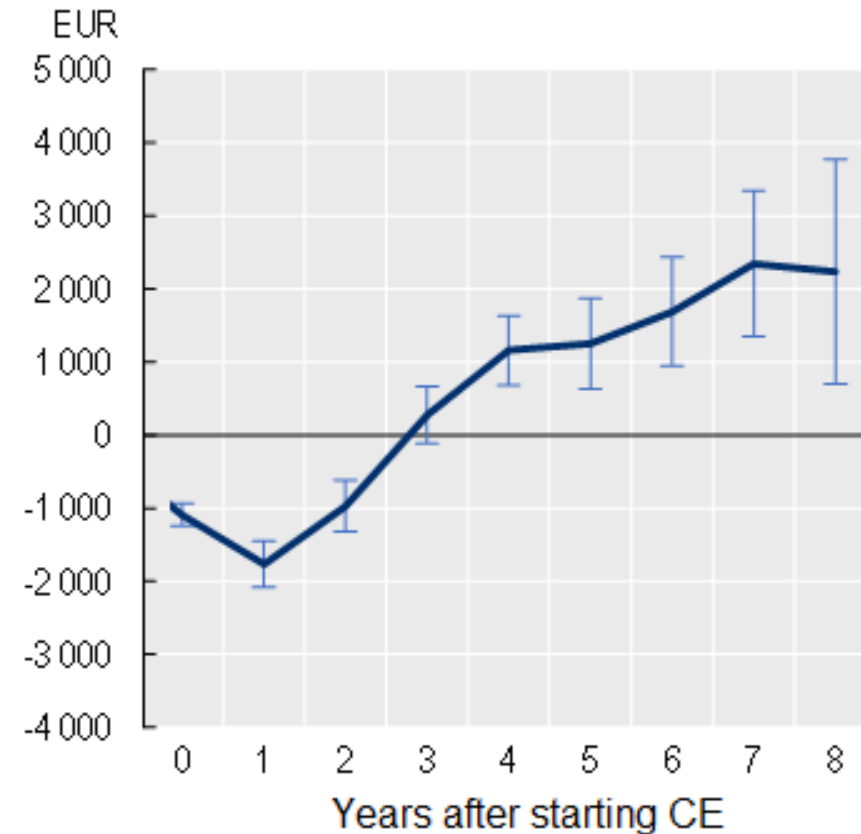


Community Employment has a positive effect on employment and earnings in the long term

Effect of CE on annual weeks in employment



Effect of CE on annual earnings



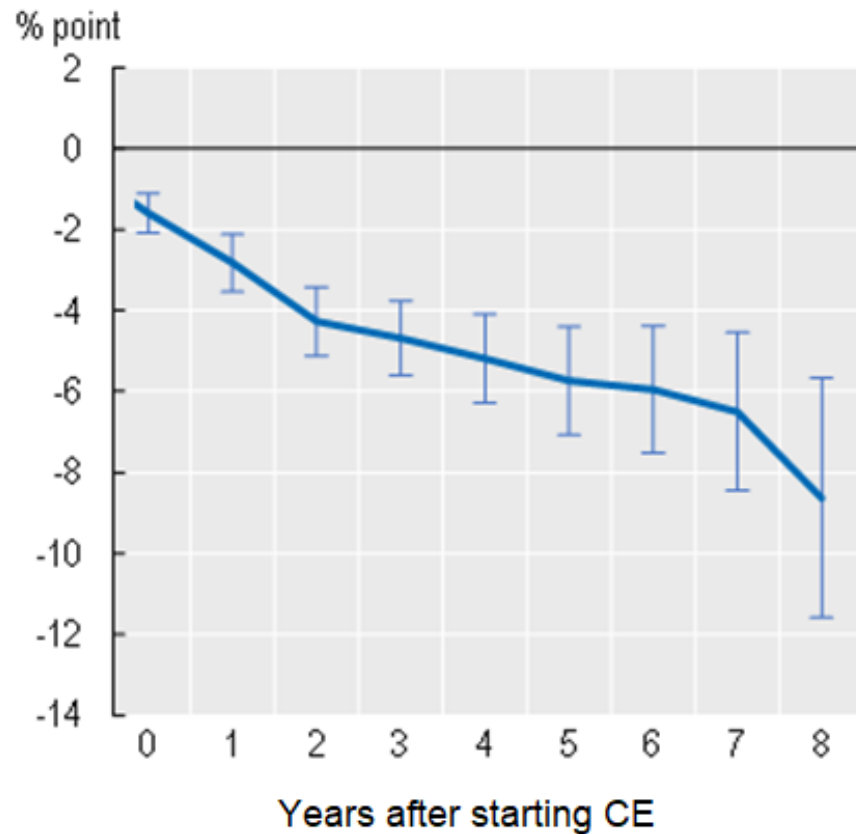
Sample of people participating in CE between 2013 and 2018, compared to a control group

Source: Calculations based on Department of Social Protection (DSP) data.

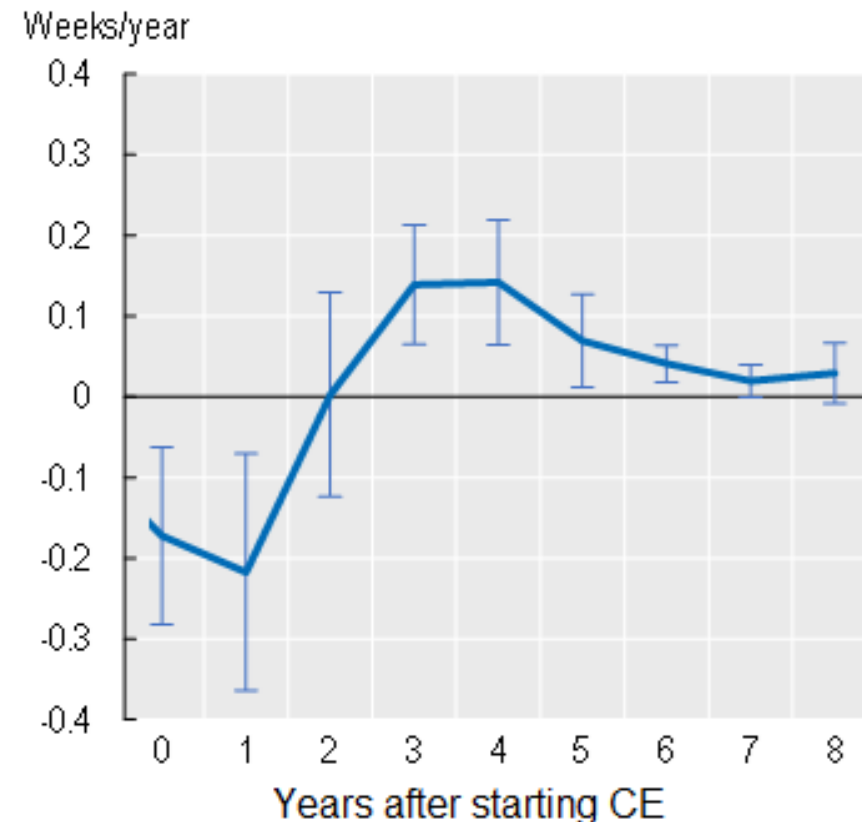


Community Employment lowers receipt of disability benefits and has a small effect on claiming Back-To-Education-Allowance

Effect of CE on probability of receiving disability benefit



Effect of CE on Back-To-Education-Allowance receipt



Sample of people participating in CE between 2013 and 2018, compared to a control group

Source: Calculations based on Department of Social Protection (DSP) data.

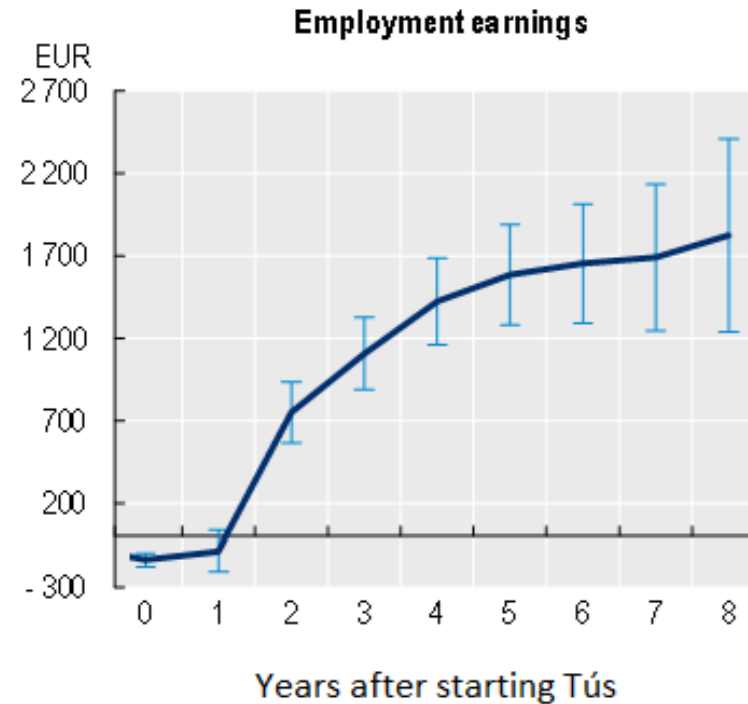


Tús also has a positive effect on earnings and weeks in employment that persist over time

Effect of Tús on annual weeks in employment



Effect of Tús on annual earnings



Sample of people participating in Tús between 2011 and 2018, compared to a control group

Source: Calculations based on Department of Social Protection (DSP) data.



Effects of both CE and Tús vary across groups

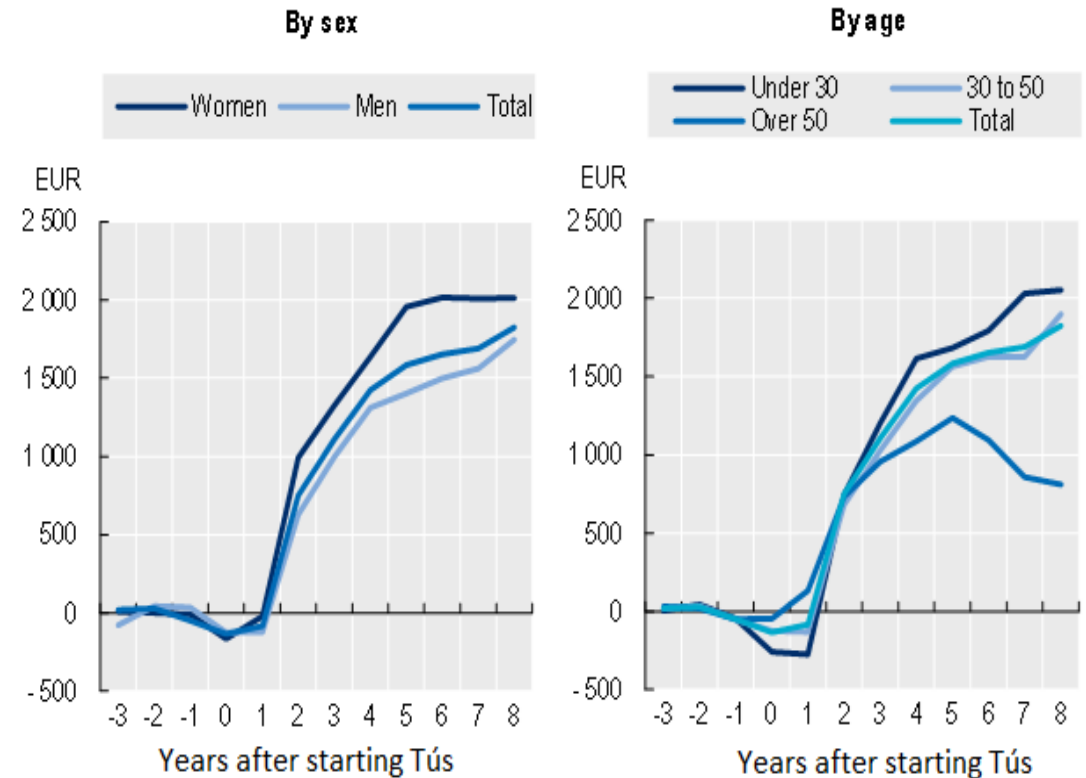
CE

- Effects on earnings and weeks in employment stronger for prime-aged participants
- For older participants, stronger effect disability allowance receipt

Tús

- Stronger effect on earnings for **young and prime-aged participants**
- Stronger effect for **women**

Impact of Tús on annual earnings



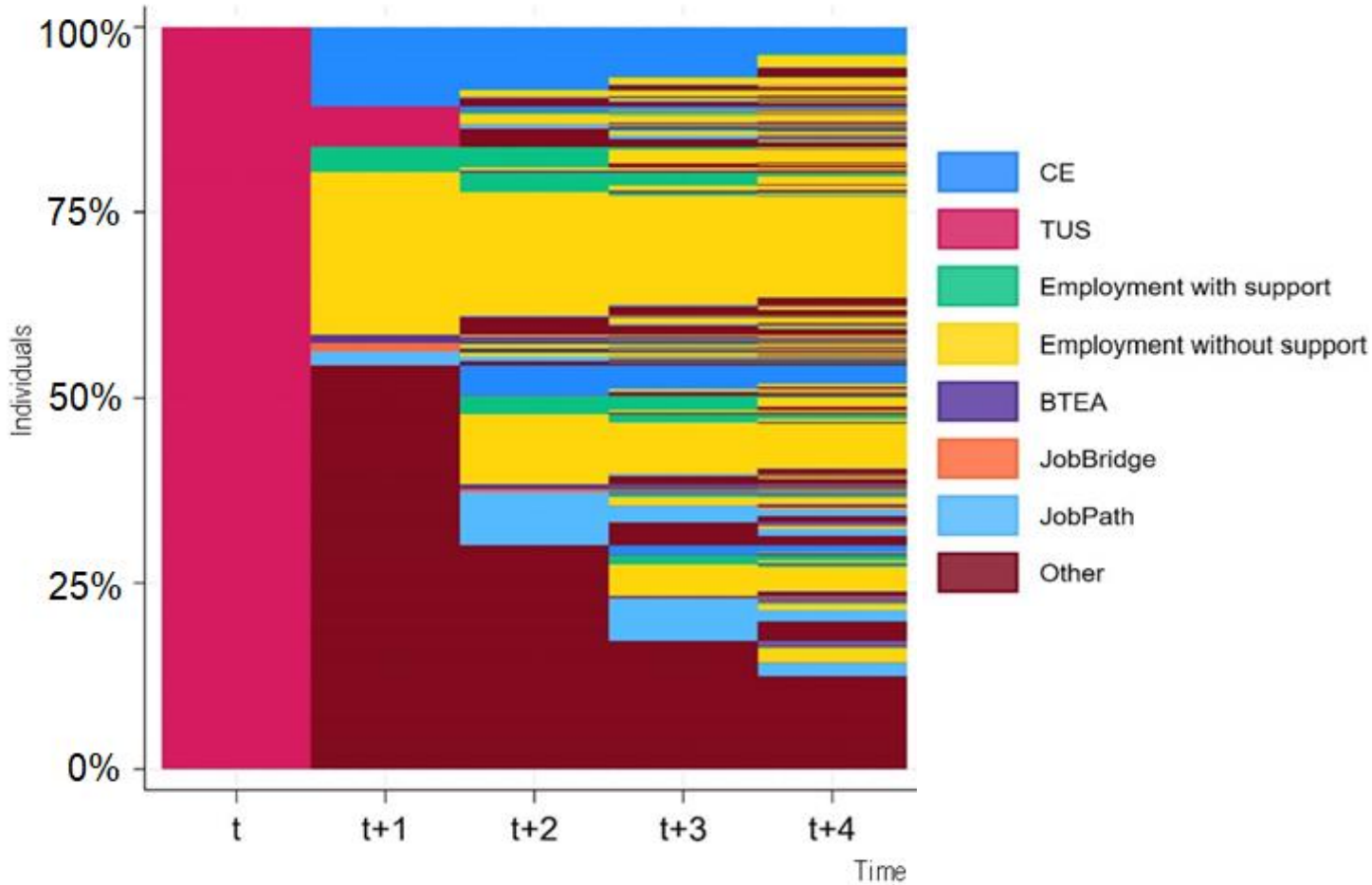
Sample of people participating in Tús between 2011 and 2018, compared to a control group

Source: Calculations based on Department of Social Protection (DSP) data.

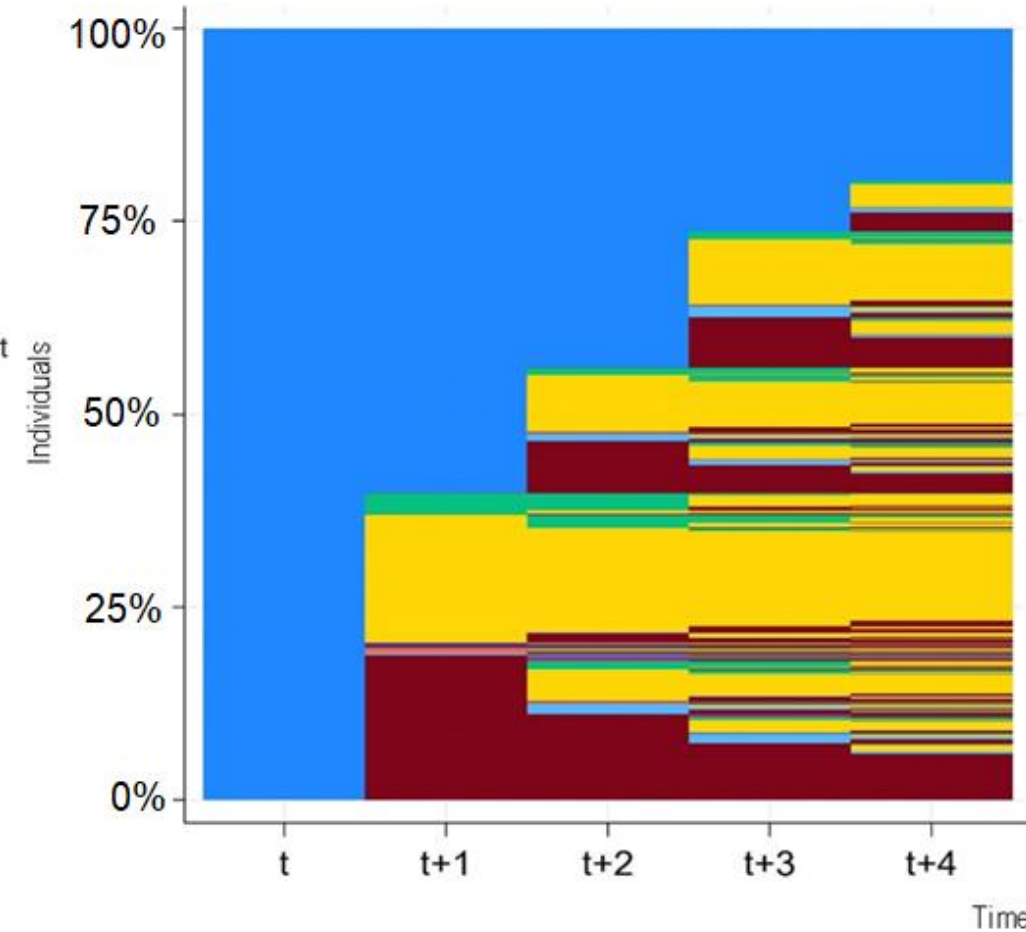


CE often lasts several years and leads to employment, while TÚS is followed by many diverse ALMP and labour market sequences

What do people do in the years after starting Tús?



What do people do in the years after starting CE?



Sample of people starting Tús or CE between 2012 and 2015

Source: Calculations based on Department of Social Protection (DSP) data.



Key policy recommendations

ALMP basket

- **Maintain CE and Tús**, but use potential future increases in ALMP funding **to re-balance ALMP offer** (e.g. well-performing training)

Community Employment

- Properly define and evaluate the **“social inclusion” objective** of CE
- Increase **training budget**

Tús

- Balance equity and efficiency considerations, where oversampling **young and prime-aged** individuals might offer better outcomes

Data for policy analysis and evaluation

- Continue to develop a **longitudinal dataset** that maximises the power of the available administrative data



Thank you!

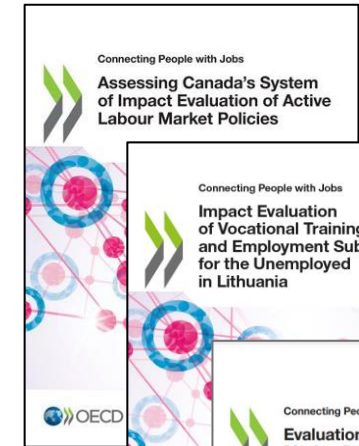


Link to country report:

oe.cd/ireland-alm-p-2024



Related work:



Link to accompanying Technical Report:

https://www.oecd.org/els/emp/Ireland_ALMP_Technical_Report.pdf

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