



Building inclusive labour markets: active labour market policies for the most vulnerable groups

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The COVID-19 pandemic risks widening further the divide in labour market outcomes for the most vulnerable groups who face numerous employment obstacles, such as limited work experience, care obligations, low skills or health limitations. Not all these groups show up on the radar of public employment services (PES), which is why it is important to identify the groups at risk and their needs, develop effective outreach strategies, and provide integrated, comprehensive and well-targeted support. This in turn requires a good exchange of information and co-operation between the relevant institutions responsible for the provision of employment, health, education and social services, as well as income support. This is a revised version that discusses the role that survey data can play when the availability or content of administrative data is insufficient in generating knowledge on the people in need of active labour market policies and the barriers they face and includes footnote 5.



Key messages and policy options

- The share of working-age population with weak labour market attachment was substantial already before the COVID-19 breakout, many of them facing major or multiple employment obstacles, such as care obligations, health limitations, low skills or scarce work experience. The COVID-19 crisis risks leaving deep scars on these most vulnerable groups.
- As key actors for supporting labour market integration, public employment services (PES) need to identify the groups at risk and develop effective outreach strategies, where possible, co-operating with other providers of public services and non-governmental organisations. Using administrative data can enable the providers of public services to track people who need support, but who are not in contact with any of the institutions.
- A tailored combination of active labour market policies (ALMPs) is needed to support the labour market inclusion of the most vulnerable groups with weak attachment to the labour market. Subsidised employment in the social economy could be one step on the pathway to work, but only if this is provided simultaneously with training and mentoring with the aim of integration of vulnerable workers into the primary labour market in the longer run. Follow-up support is needed for the most vulnerable jobseekers for a sustainable primary labour market integration
- Meeting the complex needs of the most vulnerable groups requires other services and measures in combination with ALMPs. This in turn requires a good exchange of information and co-operation between PES and relevant institutions responsible for the provision of health, education and social services, as well as income support.
- While PES often lack the dedicated services to address the challenges faced by the most vulnerable groups, which have amplified by the pandemic such as high debts and mental health issues, the employment counsellors are well placed to be the first to identify these challenges and refer the jobseekers to appropriate support.

Introduction

The labour market consequences of the COVID-19 pandemic have been worse for groups who had poorer labour market outcomes already before the onset of the crisis. Prior to the crisis, close to a third of 15-64 year-olds were not in employment in the OECD countries in 2019, 15% of employed persons earned low wages (less than two-thirds of the median gross wage of all full-time worker), and 2% worked on short-term contracts of up to three months. In many OECD countries, employment rates and working hours decreased most for low-skilled and low-educated workers, workers in low-paid occupations, youth and workers in non-standard jobs, such as part-time, temporary and self-employed workers (OECD, 2021^[1]). In addition, sectors that traditionally employ these groups are likely to struggle economically for a longer period during the economic recovery, widening socio-economic gaps in labour market outcomes and increasing poverty. Furthermore, the drop in labour demand which occurred in the depth of the COVID-19 crisis may have pushed people with already weak labour market attachment even further away from the labour market and increased the number of discouraged workers.



This policy brief focuses on **the most vulnerable groups who are only marginally attached to the labour market¹ because of significant employment obstacles, but who could find employment if given appropriate active labour market policy (ALMP) support** co-ordinated with other services.² Many of these people face multiple employment obstacles, such as a combination of low skills, care obligations, health limitations, addictions or geographic mobility challenges (OECD (2021^[2]), Fernandez et al. (2016^[3])). Other services (such as health and social services to combat addictions or health limitations) need to be at times provided even before effective provision of ALMPs becomes possible, and need to continue going hand-in-hand throughout the labour market integration process.

Although the individual circumstances and combinations of labour market challenges are often unique, some employment obstacles affect certain groups more than others, underlining the need for careful targeting and monitoring of ALMPs and other interventions to achieve an inclusive labour market. For example, care obligations concern a significantly higher share of women than men (and this gap has widened due to COVID-19, (OECD, 2021^[1])), a lack of language skills is a greater challenge among jobseekers with a migrant background, health limitations become more prominent with age, and young people can be in worse labour market position due to their limited work experience. Nevertheless, people in particularly vulnerable labour market situations often face multiple employment obstacles beyond those faced by their peers, requiring more intensive support than that outlined in general strategies.

PES need to provide targeted comprehensive support to the most vulnerable groups throughout the labour market integration pathway

It is crucial that PES continue supporting the most vulnerable groups during the COVID-19 crisis, because preparing them for labour market integration takes time. **Improving the employability of the most vulnerable groups now would increase their chances of being integrated into the labour market as economies recover** and employers' needs for labour increase.

As the most vulnerable groups face often very specific or even multiple obstacles, **it is important to provide them with individualised support,³ and at times even tailor-made support,⁴ to meet their complex needs.** From the PES side, this requires a combination of different ALMPs, such as training to increase digital skills to improve employability, followed by job-search assistance, and potentially employment subsidies. In addition, the inclusion pathway often requires a step-by-step approach which relies on the co-operation between institutions, as other types of services (social, health, education, childcare, housing and beyond) as well as social protection measures and benefits might be needed before as well as during ALMP provision to tackle social integration obstacles more generally (Figure 1). For example, France's *1 jeune 1 solution* initiative addresses COVID-19 challenges in the labour market and targets youth living in disadvantaged neighbourhoods through a comprehensive package of ALMPs to address individual obstacles, involving recruitment support, apprenticeships, employment incentives, training and beyond. In 2020, the PES of Belgium (Brussels) enforced its employment support programme for young people not in employment, education or training (NEETs) in partnership with private providers

¹ They are not in employment or they are often not in employment because their employment contracts tend to be of short duration, or they work on a low work load and/or receive low wage, or their employment contracts are otherwise precarious.

² This policy brief does not touch upon groups who are fully unavailable for the labour market such as those in full-time studies, severely ill, not in working age, etc.

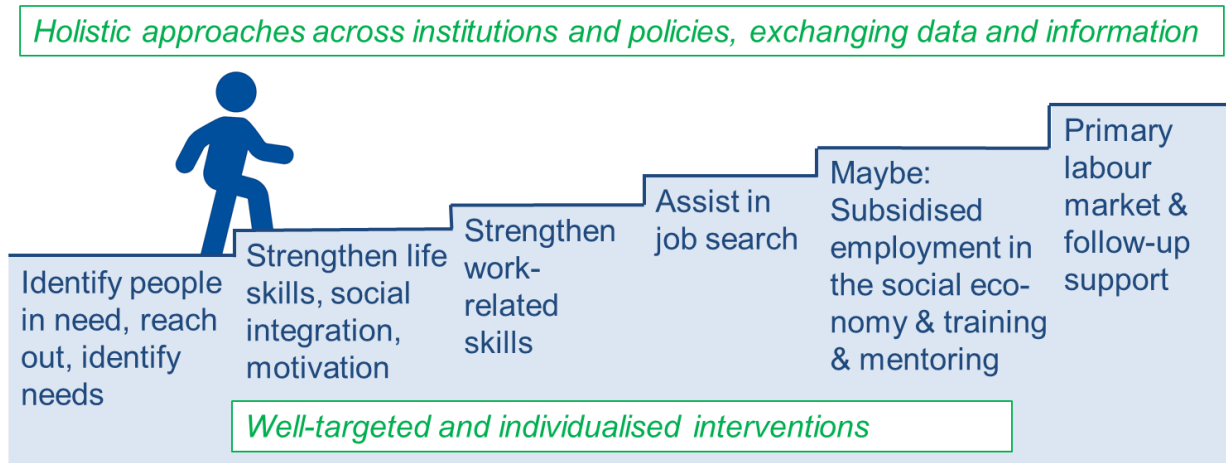
³ A person receives those available services and measures that correspond best to their individual circumstances.

⁴ The design of a specific service or measure is tailored to the needs of a specific individual.



that involves outreach activities, addressing individual employment obstacles, personalised guidance and follow-up support after labour market integration (European Commission, 2021^[41]). Canada's Opportunities Fund for Persons with Disabilities programme uses an "escalator" model outlining the different steps and interventions needed for labour market integration.

Figure 1. Key features of successful programmes for the most vulnerable groups



Note: As the most vulnerable groups need individualised interventions, not all steps are relevant for each individual.

Supporting the most vulnerable groups requires pro-active outreach and a good understanding of their needs

The first step in the labour market integration pathway is identifying the people in need of special support and their challenges. Using linked administrative (and survey) data, while respecting data protection requirements, is a crucial starting point to support the most vulnerable groups to better identify the people in need, reach out to them and provide individualised services:

- The key to improving employment support to the most vulnerable groups is **understanding better which groups needing support are not utilising PES** (or other relevant institutions) and why, the labour market obstacles they face and how well the ALMPs provided to these groups match with their needs. It is crucial to identify people who are only marginally attached to the labour market and whose labour market situation could be improved by ALMPs, as well as those who should be supported with social, health or education services first. Analysing linked administrative data from different registers can be used to generate the relevant knowledge (see OECD (2021^[21]) for a recent example of such work in Estonia). In cases where accessibility or coverage of administrative data is insufficient, survey data could be used additionally or instead to map the most vulnerable groups.⁵ The OECD tool, *Faces of Joblessness*, which uses primarily survey data and could be

⁵ The availability of administrative data for research and analysis has improved significantly over the past years, particularly through linking administrative (and survey) data by national statistics offices. For example, the Central Bureau of Statistics of the Netherlands is developing an environment to link a wide range of administrative data across public sector for statistical and scientific research (Kartopawiro, 2019^[48]). Statistics Finland has ready-made datasets for researchers containing among other variables key data about PES activities and ALMP provision (Statistics Finland, 2021^[49]). Statistics Estonia has transformed its EUROMOD dataset to be largely register-based, containing for example variables related to financial situation and household composition covering the whole population (Sõstra,



augmented by administrative data use, can be applied to identify the key obstacles people face in accessing the labour market (see Fernandez et al. (2016_[3]) and OECD (2020_[5])).

- As the most vulnerable groups are often less likely to contact PES themselves, for example because they do not often qualify for unemployment benefits due to their scarcer previous employment records,⁶ **it is important that PES make more efforts to proactively reach out to these groups**. Some PES that are simultaneously responsible for other benefits, such as social assistance, disability, parental leave or pre-retirement benefits have a direct contact with inactive population groups, which facilitates their role in encouraging labour market participation among the inactive (Konle-Seidl, 2020_[6]). Nevertheless, the channels to personally reach out to the most vulnerable groups tend to be limited for most PES, and thus co-operating with other providers of public services and NGOs can be effective. For example, the providers of social services should co-operate with PES when their clients need support with labour market integration. Furthermore, using administrative data can enable the providers of public services to identify and track people who need support, but do not contact any of the institutions. For example, in Estonia, the Youth Guarantee Support System implemented in 2018 is a tool for the municipalities to reach out to young people not in education, employment or training and support them to continue their education, integrate into the labour market and contact PES or other institutions. The tool links data from nine registers to detect the young people in need of support and provides results to the case managers in municipalities (Kõiv, 2018_[7]).
- Among the clients that PES establish contact with, **it is necessary to identify the most vulnerable groups and their needs early**. Quantitative profiling tools using administrative (and survey) data can be effective and efficient tools to identify the clients needing additional support as well as target the ALMPs more effectively, which is particularly important in times of high inflows of clients and limited staff numbers. These tools take into account the socio-economic background of the jobseekers and can have high accuracy in detecting those in need already in the beginning of the unemployment period. As such, the PES can divert more resources to more vulnerable groups, such as increasing counselling frequency, devoting more time for (face-to-face) counselling sessions or being alert that these people might need more support by networking with other service providers. In addition, these tools can highlight the particular labour market obstacles that jobseekers face and suggest which ALMPs could support overcoming these obstacles. These tools are used today by more and more PES, and are most advanced in Flanders (Belgium), Estonia, the Netherlands, Australia and the United States (Desiere, Langenbucher and Struyven, 2019_[8]), (Nortal, 2021_[9]). Across OECD countries, there is good knowledge of the requirements of successful profiling tools, possible challenges and the importance of effective communication internally and externally during their design and implementation (OECD, 2021_[10]).

PES need to continue supporting the most vulnerable groups even after job placement

Once a vulnerable person has successfully entered the primary labour market, they might need continued support from PES (involving contracted private providers, social services and other types of

2019_[50]). The Estonian EUROMOD dataset can be additionally linked to data from other registers, as well as supplementary survey data.

⁶ In Lithuania and Estonia, registered unemployed are covered with health insurance, which incentivises inactive population groups to register with PES. This set-up provides the PES another tool to get in contact with the inactive, but it can be effective only in case the PES has sufficient capacity to motivate and support labour market integration despite that the person's motivation to register might have been only to attain health insurance.



service providers if needed) to stay in employment. Germany has been rolling out country-wide post-placement support and counselling to the most vulnerable groups since 2016 after good results from a smaller scale pilot. The German experience has shown that employment contracts often tend to end during the first six months for the most vulnerable groups, but providing additional services during this period can decrease the terminations of employment contracts significantly (Stabile, 2017^[11]). Similarly positive experience of in-work follow-up support to ensure sustainable integration has been observed in France and Denmark (Scharle, Weber and Puchwein Roberts, 2014^[12]). Since the beginning of 2021, Estonia has introduced systematic follow-up support to groups at risk of a rapid return to unemployment due to health limitations, lack of work experience, previous long-term unemployment or other employment obstacles. Case managers in the Estonian PES continue counselling during the first six months of employment, keeping in touch with the client as well as the employer and, when necessary, involving the local social workers or other service providers (Sotsiaalministeerium, 2020^[13]).

Capacity to network with other service providers and assess clients' needs holistically is important throughout the pathway to labour market integration – from proactive out-reach to post-placement support. In addition to ALMPs, the most vulnerable groups need often comprehensive integrated approaches involving social, health, education measures and beyond. Networking, co-operation and data exchange between different institutions are important to avoid gaps and overlaps in the service provision. Nevertheless, achieving co-operation and integration of services to support the most vulnerable groups holistically is often very cumbersome. A Eurofound (2017^[14]) study among EU countries shows that poor co-ordination of employment and other services tends to be one of the key issues limiting effective support to people furthest from the labour market, which can be exacerbated when the responsibilities for services lie in different levels of governance.

Even if services are formally integrated to one-stop-shops, their success is largely determined by co-operation practices and data exchange. The results of integrated employment and social services have been successful, for example, in the Basque county in Spain as it was possible to establish a common IT platform enabling proper data exchange, although establishing this took years (Gago, 2019^[15]; OECD, 2020^[16]). A Finnish experiment to move PES counsellors to municipalities was found to have produced good results as well, but only because the capacity and financing available for ALMPs had increased (Arnkil, 2019^[17]; Scharle et al., 2018^[18]). Nevertheless, Finland continues with experiments (although with some delay due to COVID-19) to provide integrated services and has allocated additional resources for these experiments targeting youth, immigrants and long-term unemployed as a part of the strategy to tackle COVID-19 challenges (Ministry of Economic Affairs and Employment, 2020^[19]).

When the institutions providing employment services or those providing social services are well-developed and have high capacity, platforms for co-operation practices and (virtual) one-stop-shops could be envisaged without changing the overall institutional set-up. These practices are successful when all parties have a willingness to co-operate and the necessary funding to do so. Practices based on voluntary co-operation between employment and social services have been tested in many countries, such as Belgium (Flanders), France, Slovenia and Sweden. For example, France has been successful with its initiative *l'accompagnement global* targeted on people with multiple labour market obstacles registering with PES, introduced in 2014. Jobseekers benefitting from this programme are supported by a PES caseworker and a local social worker. While the PES caseworker identifies the labour market obstacles and sets up an individual action plan to find employment, the social worker addresses social problems, such as challenges related to housing or financial difficulties. The impact evaluation results indicate that the programme increases the probability to find stable employment within six months after entering the programme by 27% (Pôle Emploi, 2018^[20]).

Low caseloads enable employment counsellors to address the complex needs of the most vulnerable groups



As more efforts are generally needed to reach out to the most vulnerable groups and accompany them in their pathway to employment, their successful integration into labour market requires more attention by employment counsellors. Furthermore, while many processes in PES can be automated and digitalised to increase efficiency, counselling vulnerable groups is one field that still requires more interaction and face-to-face meetings with PES counsellors, also due to the often lower digital skills and/or more limited access to the Internet and devices among the vulnerable groups. Several PES, such as in France, Luxembourg, Korea and the United Kingdom have hired or plan to hire additional staff particularly dedicated to implementing programmes for specific vulnerable groups in 2021 within their response to COVID-19 challenges.

Innovative approaches involving the social economy can bridge the transition to the primary labour market

For some of the most vulnerable groups, one step on the pathway to labour market integration can be subsidised employment or some other type of support involving the social economy,⁷ although the effectiveness of these programmes is highly dependent on their exact design. **To be effective, subsidised employment in the social economy should only be provided simultaneously with training and mentoring with the aim of integration of vulnerable workers into the primary labour market in the longer run.** In Austria, such an approach has been in place for many years, where the PES co-operates with a wide network of companies that pursue a social mission, i.e. social enterprises (Hiebl, 2020^[21]). The vulnerable groups are segmented into sub-groups according to their distance to the labour market (i.e. an assessment of time and effort it takes them to become employed). The people furthest from the labour market are offered subsidised employment in the social economy, those somewhat closer to the labour market might be offered a programme where they get an employment contract with an NGO which mediates leasing temporary workers for the primary labour market. The most employment-ready vulnerable groups might be supported with employment subsidies to enter the primary labour market, without involving social enterprises. Nevertheless, all these groups are additionally supported with counselling, mentoring and training. Austrian programmes involving social enterprises have been found to strengthen participants' labour market participation and integration into unsubsidised employment in the primary labour market significantly (see e.g. (Eppel, Horvath and Mahringer, 2014^[22]; Hausegger et al., 2010^[23]). The positive effects are particularly pronounced for women, older workers and people with disabilities.

A French experiment implemented since 2016 and extended in the end of 2020 called *Territoires zéro chômeur de longue durée* ("Territories of zero long-term unemployment") provides a framework for local communities to create "marketable" jobs in the social economy that do not compete with existing jobs in the primary labour market, and which correspond to the needs and skills of the long-term unemployed (TZCLD, 2020^[24]). However, this scheme does not (yet) provide effective and efficient outcomes according to the interim impact evaluation results by DARES (2019^[25]). Not all of the employment-oriented companies created within the framework have succeeded in covering their costs fully. The improvements in the labour market outcomes of the participants have also not been as high as expected. However, the scheme has some potential for being effective and efficient if its design is fine-tuned. Drawing from the German experience with the social economy (employment incentives integrated with coaching and training targeted at the most vulnerable groups), the French scheme could potentially increase its positive effects on employability and social participation if the training and counselling components could be strengthened

⁷ The social economy comprises the set of associations, co-operatives, mutual organisations, foundations and social enterprises, whose activity is driven by values of solidarity, the primacy of people over capital, and democratic and participative governance (OECD, 2018^[46]), and that is increasingly recognised as a natural partner to complement the public action in various policy areas (OECD, 2020^[47]).



and the scheme targeted more narrowly to the most vulnerable groups (Konle-Seidl, 2019^[26]). Due to the innovative approaches and its intrinsic potentials, the French scheme has attracted interest already from other countries willing to start similar experiments (e.g. in Wallonia and Brussels in Belgium (Pape, 2020^[27])). A new experiment similar to the *Territoires zéro chômeur de longue durée* involving the social economy launched in Austria at the end of 2020 (University of Oxford, 2020^[28]) addresses the needs of vulnerable groups for training, counselling and social services as an integral part of the scheme, but does not target only the most vulnerable either.⁸ More generally, the French scheme highlights the importance of evaluations to determine the effectiveness of an intervention and areas where improvements are needed.

Socially responsible private enterprises have also introduced initiatives to support vulnerable groups to integrate into the labour market. For example, L'Oréal, with the support of Adecco, aims to improve employability of vulnerable groups in France by providing long-term unemployed people with comprehensive support including workplace-training and mentoring, and a certified diploma upon successful completion of the training, although the number of participants has been so far very low. The OECD's Business for Inclusive Growth initiative is currently supporting scaling up the programme designed by L'Oréal and Adecco among socially responsible enterprises in other OECD countries (Business for Inclusive Growth, 2020^[29]). The ministries in charge of employment policy and PES could consider possibilities to support socially responsible enterprises to implement similar initiatives, for example by providing their knowledge and sharing experience in supporting the most vulnerable groups, as well as mediating the opportunities to be involved among the PES clients.

Integration into the primary labour market could be facilitated via “job carving” services, particularly for those jobseekers whose labour market obstacles integration obstacles include health limitations (Scoppetta, Davern and Geyer, 2019^[30]). Job carving aims to rearrange tasks in a company to tailor a job opportunity for a person that has constraints to fulfil certain tasks, while keeping in mind the employer's needs. The PES in Malta co-operates in a social partnership with the Lino Spiteri Foundation to provide employment support, including job carving, to jobseekers with disabilities. The Lino Spiteri Foundation provides job carving both as bottom-up (starting from the jobseeker), as well as top-down (starting from the employer) approach to create jobs for people with disabilities, taking on the whole recruitment process (analysis of tasks and rearrangement, referrals to jobs, interviews, support after recruitment etc.).

Financial difficulties and mental health problems need particular attention in the aftermath of the COVID-19 pandemic

The health and economic crisis caused by COVID-19 has particularly amplified two employment obstacles that PES together with other service providers need to address – high debts and mental health challenges. Both of these can severely constraint jobseeker's capacity for job search.

Although countries across the OECD have made more efforts to limit income losses during this crisis than any previous crisis by providing more generous job retention schemes or unemployment benefits (OECD, 2021^[11]), **many households still saw their income fall significantly in some countries.** For example, the income of a third of new claimants of Universal Credit in the United Kingdom was at least 40% lower in January 2021 than before COVID-19, with a fifth of new claimants of Universal Credit not being able to

⁸ A programme called *Learning workshops* has been recently introduced also in Slovenia, combining tailor-made on-the-job-training (by social economy), subsidised employment (in market-oriented enterprises), external mentoring for soft skill coaching (psychologist, work-therapist, etc.), and individualised mentoring for vocational skills (PES staff). The programme is implemented on a small scale as slightly more than 800 participants have taken part in the programme in 2018 until March 2021, and it has not (yet) been subject to a counterfactual impact evaluation.



pay their essential bills on time, and a third having higher debts than a year before (Brewer and Handscomb, 2021^[31]).

Only a few PES have more elaborate approaches to support jobseekers with high debts, most notably (countries ranked by how well debt relief is integrated in PES services) Austria, Norway, Estonia, the Netherlands, Germany and Finland (Sol, 2016^[32]). These approaches can involve training counsellors to detect labour market integration barriers related to financial difficulties and debts, guidelines for counsellors about how to address these challenges, services for jobseekers to address the challenge (e.g. debt counselling), and counselling to employers who hire jobseekers with financial difficulties, as well as measures to prevent debts among jobseekers.

Nevertheless, regardless of how developed the specific services to address debts are by the PES, **other national and local level providers are often available to provide additional services to jobseekers to relieve the financial distress**. Thus, it is crucial that PES are able to detect the needs for additional support and co-operate with other providers who might provide complimentary or more suitable services.

PES can cushion the negative effects of unemployment on mental health via ALMPs, and need to seek extensive support for clients experiencing mental health issues

The COVID-19 pandemic has increased the risk of mental health issues for PES clients. Joblessness can have negative effects on health, particularly mental health in any economic situation – see an extensive meta-analysis by Paul and Moser (2009^[33]). A global health crisis together with restrictions on social interaction and activities can further elevate the rates of stress, anxiety and loneliness, as well as increase the risk of alcohol and drug abuse (WHO Europe, 2020^[34]). At the onset of the COVID-19 crisis, the incidence of mental distress and mental health conditions increased significantly, in general and specifically among the youth, across the OECD (OECD, 2021^[35]).

PES can have a critical role in identifying early mental ill health (OECD, 2015^[36]), as they often are the first public institution newly laid-off people are in contact with. PES counsellors need to consider that mental health poses a significant barrier to finding employment, and is a crucial risk factor for long-term unemployment. Taking into account the importance of discretion and sensitivity in dealing with mental health conditions, PES case workers' should be prepared to advise their clients to get counselling in case they see a need. As outlined in the OECD Recommendation of the Council on Integrated Mental Health, Skills and Work Policy (OECD, 2015^[37]), awareness and understanding of mental health issues among caseworkers is key to ensuring that appropriate and timely mental health support is available to jobseekers experiencing mental health issues.

PES need to direct the people to the service providers, e.g. social service providers, health service providers, providers outsourced by PES or providers in-house in the PES. In Flanders (Belgium), jobseekers are systematically screened for reintegration barriers, including mental health issues and whenever problems are suspected, an interview can be requested and a referral can be made to an in-house psychologist or an external centre specialised in multidisciplinary screening (OECD, 2015^[36]). Finland rolled out one-stop-shops for young people involving a wide range of professionals in 2018 (Savolainen, 2018^[38]). The key staff are youth and employment counsellors from PES and social workers from municipalities, but also psychologists, nurses, outreach workers and education counsellors. In 2021, the Finnish Government is investing further in these youth centres, particularly aiming at boosting mental health services for the young and start providing short-term psychotherapy (Ministry of Economic Affairs and Employment, 2020^[19]).



The take-up of mental health support might be higher if it can be provided more discreetly and the client can choose the provider. For example, the Estonian PES allows the clients to choose the specific provider for psychological, addiction or debt counselling from a list of accredited service providers since 2021 (Sotsiaalministeerium, 2020^[13]). This would enable also people from small communities to choose a provider further away, ensuring more anonymity, which may be crucial in the context of widespread stigma against individuals experiencing mental health issues.

Active labour market policies that do not specifically address mental health can nevertheless cushion some of the negative effects of unemployment on mental health (Wang et al., 2020^[39]), as well as well-being and health more generally (Ayala and Rodriguez, 2013^[40]; Stuckler et al., 2009^[41]). Although these effects are not (yet) empirically well established (Sage, 2015^[42]; Wulfgramm, 2014^[43]), they are potentially more pronounced for ALMPs that resemble in some aspects employment rather than more general jobs search assistance, by providing more structure to the day, routine activities and social networking (e.g. these aspects are often present in training programmes) (Wang et al., 2020^[39]).

A promising approach to help people with serious mental illnesses (e.g. schizophrenia spectrum disorder, bipolar, depression) **integrate into the labour market is the Individual Placement and Support (IPS) model.**⁹ IPS focuses on rapid job search (first face-to-face contact with an employer in 30 days), combines employment support with mental health services, and aims at regular jobs in the primary labour market. IPS has been evaluated via 28 randomised controlled trials across the world, a vast majority indicating significant positive effects on the labour market outcomes of the participants compared to other support schemes ((IPS Employment Center, 2021^[44]), see also (Drake, Bond and Becker, 2012^[45])). By now, a few countries have sought to scale up IPS programmes. In Australia, IPS has been trialled since 2016 for 2000 young jobseekers a year, and it is now being scaled up and rolled out through “headspace” centres. In Belgium (Flanders), GTB is an NGO that is contracted out by the PES to provide employment support to PES clients with disabilities. In 2021, GTB is adapting IPS methodology for the Flemish labour market to start applying this approach to the PES clients with mental health issues.

Conclusions

Given the complex and often multiple employment obstacles faced by the most vulnerable groups who are only marginally attached to the labour market, it is important to provide them with comprehensive individualised support combining different ALMPs. In addition, the labour market inclusion pathway often requires a step-by-step approach which relies on the co-operation between institutions and policy domains, as other types of services (social, health, education, childcare, housing and beyond) as well as social protection measures and benefits might be needed along with ALMPs to tackle their social integration obstacles more generally.

It is crucial that PES continue supporting the most vulnerable groups even while the labour market remains affected by the consequences of the COVID-19 pandemic. Improving their employability now increases the chances of the most vulnerable groups participating in the labour market in the recovery. In addition to investing in ALMP measures like training or rehabilitation, countries need to allocate resources for employment services, considering that the most vulnerable groups need to be helped more intensively by employment counsellors than other groups of jobseekers. A successful and sustainable labour market integration of the most vulnerable groups requires employment counsellors to have the means for outreach activities, networking with other institutions, intensive (face-to-face) counselling, as well as post-placement support.

⁹ <https://ipsworks.org/>.



Support provided to the most vulnerable groups needs to be continuously monitored and evaluated. Rigorous evaluations would provide inputs to evidence-based policy design, adjusting and terminating ineffective measures and strengthening the effective ones, thus continuously increasing the effectiveness and efficiency of supporting the most vulnerable groups.

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