

Arguments for a post-pandemic Public Employment Eco System in Ireland

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Abstract

The past was a different country, and the future will be different too. The Covid-19 pandemic has brought in its wake massive unemployment, shifting attention away from pre-pandemic labour market challenges. More labour market turbulence can be expected in the context of the fourth industrial revolution, digitalisation and automation, as well as climate-change-related transitions. In this context of such acute uncertainty, flexible, adaptable public employment institutions are a core requirement. Concerned with institution building, this paper explores how to maximise synergies in existing Public Employment Services (PES) while developing an ecosystem that can utilise all other available resources across public, private and not-for-profit national and local institutions. The political context for policy and institutional reform is a centralised, relatively small and open state which demonstrates some capacity to learn from previous crises and institutional reforms to tackle unemployment. The concept of a Strategic Action Field is used to deepen our understanding of the structure and agency dynamics underlying PES reform in the context of quasi-markets. A more systematic approach to institutional reform is needed that values a diversity of actors – this is visualised as a Public Employment Eco System (PEES) embedded in processes of network governance and collaborative innovation.

Keywords: Public employment services, ecosystem, network governance, inter-agency, Ireland

Introduction: Context and problem

The past was a different country, and the future will be different too. In February 2020, with 2.36 million in employment and an unemployment rate of 4.7 per cent, Ireland experienced near full employment (Labour Market Advisory Council, 2020, p. 7) and was in the process of examining how to reconfigure existing institutions to better focus Public Employment Services (PES) on economic inclusion and increased employment participation. In Autumn 2019 the UK-based Institute for Employment Studies (IES) was commissioned by the Department of Social Protection (DSP)¹ to develop a PES model and to advise on how such services could be reformed and contracted by the state. Their recommendations for institutional reform considered distinguishing PES for those considered job ready from PES for those more distant from the labour market and contracting such services using both the existing Payment-by-Results and grant-funded commissioning models. This process was interrupted by Covid-19 when, on 12 March 2020, the Irish government announced what would be the first of three relatively long pandemic lockdowns lasting into summer 2021. The DSP went into emergency mode, transferring PES staff to service income supports and a new Pandemic Unemployment Payment (PUP), and effectively putting their own and procured PES, and related plans for reform, on hold. As around the world, Covid-19 brought in its wake massive unemployment (Hick & Murphy, 2021; McGann et al., 2020). When pandemic-related unemployment is included in the official count, unemployment peaked in Ireland at 28.5 per cent in May 2020, reducing to 16.5 per cent in August 2020, but increasing again to 20.2 per cent in October 2020 and to 25 per cent in January 2021.

Concurrent to the massive Covid-19-related job loss was the reality that over half a million people had already been left behind in the previously thriving economy. Many were either unemployed, only marginally attached to the labour force, or precariously or underemployed in low-paid work (Murphy et al., 2020b). The National Economic and Social Council (2020) argues that addressing employment vulnerability is a central challenge of both a just climate change policy and enabling transition to a low-carbon and a more digital future. A post-pandemic project of institution building is

¹ For consistency, we use DSP to refer to the contemporary home for PES. Over 2016–20 this department was known as the Department of Employment Affairs and Social Protection (DEASP).

required to meet the urgent need to enable people to adapt to what will be increasingly volatile labour markets in the context of previous and contemporary inequalities, but also in the likelihood of expected crisis and transitions associated with climate change and the fourth industrial revolution, automation and digitalisation. In the context of present and future crises, the only certainty is uncertainty, and flexible and adaptable institutions are a core requirement. This requires learning institutions that can adapt to change, operationalise ‘just in case’ scenario planning and deal with labour market challenges of the future. It is ironic that the New Public Management governance of PES and their standardisation and target culture militate against future-proofing employment services, resilience exercises and scenario planning.

Mazzucato’s (2018) mission-oriented approach to solve grand challenges recognises the importance of biodiversity and both public and private innovation in policy ecosystems, arguing that the state needs to centrally enable the co-creation and shaping of systems wherein multiple actors resolve societal challenges. The nature of the Covid-19 labour market shock meets the scale of an economic and societal ‘grand challenge’, while an uncertain future in the context of digitalisation, automation and climate transition means the challenge of enabling a functioning, inclusive and sustainable twenty-first-century labour market will be a permanent ‘grand challenge’. This paper is positioned as a contribution to the process of PES institution building. Its approach is to understand employment services as a broad ecosystem. It adopts a sense of urgency in reforming and growing a Public Employment Eco System (PEES) so that dynamic employment services are available to all who might need them to adapt in the context of climate transition, automation, new pandemics and unknown unknowns (National Economic and Social Council, 2020; EU, 2020).

While not a standard research paper, I draw on policy-based observations from thirty years of applied policy work and from a significant range of PES-related research which I led over 2016–20. These include: the Irish case study for the 2016–17 EU-funded, twelve-country, comparative research project ‘Integrated Delivery of Social Services’ (n = 25 national and local interviews) (Scharle et al., 2018); the two-year Irish Research Council (IRC) funded project ‘A Collaborative Approach to Public Employment Services (2019–21)’, which developed an extensive range of interviews, observation and mapping exercises (Murphy et al., 2020b); and the IRC New

Foundations project ‘CommSoc’, which examined how commissioning and procurement impacted on the marketisation of civil society actors delivering social services, including homeless, domestic violence and community development services and PES (n = 20 local and national interviews) (Murphy et al., 2020a). Having set out a clear policy problem, I first provide the necessary historical and policy context and then offer a conceptual framework to guide towards a clearer policy agenda. The aim is to influence the emerging post-pandemic process of institutional reform of PES in Ireland and, through this, to offer learning that has international relevance for PES reform. In particular, the paper utilises the Strategic Action Field (SAF) framework as the primary analytical aid to unpack the drivers and dynamics of the post-crisis administrative shifts towards a more workfare-oriented system. This enables discussion about the dynamics associated with incorporation, through procurement, of new private sector PES actors in a quasi-market. It also allows an assessment of how increased competition changes and unsettles the ecosystem.

In the first section on the Irish institutional and policy context, we set the scene, describing the political context for policy and institutional reform, and contextualising it in Ireland’s small and open political economy. Observing how previous crises served as a catalyst for reform, we briefly sketch institutional reforms to end long-term unemployment in the early 1990s and describe the more recent 2010–14 workfare reform process which followed the financial crisis. We then examine the present Covid-19 crisis, asking whether the PUP might be a disruptive change to conditional income support with capacity to unsettle the present trajectory for PES in Ireland. We then map existing PES using a SAF, a conceptual device to deepen our understanding of PES dynamics, and proceed with a systematic approach to institutional reform. The conclusion utilises the discussion to visualise a national and local PEES.

Irish institutional and policy context

Irish public and policy institutions have evolved in a relatively consensus-oriented democracy characterised by a unitary and centralised multi-party system, with a bicameral parliament and a prime minister with a moderate amount of influence. While Ireland appeared for a long time to be predisposed towards conservative and paternalistic policies (Kirby & Murphy, 2011), there has been a significant advancement of progressive bio-politics (divorce, marriage

equality, abortion), but less progression on social economic rights (Cullen & Murphy, 2020). Social partnership, an Irish form of voluntary corporatism, was a feature of Irish politics from 1986 to 2008 and has since been replaced by a relatively weak process of social dialogue; however, a consensus-oriented culture remains. PES have been overseen by various forms of networked governance, including local partnership and national social partnership, up to 2008 but since 2012 governance has been more centralised. Irish political culture and political party formations mean there is an absence of hard-right populism or significant overt anti-immigrant sentiment in party political terms, and party politics can lead to a different reform dynamic than in a more majoritarian political culture. A low tax effort per capita is a core feature of the Irish political economy; consequently, there is poor public service provision, with a market-oriented, low-paid and gendered essential economy.

The Irish electoral system – proportional representation through a single transferable vote (PR-STV) – is associated with a political culture of brokerage and clientelism and fosters strong localism. Boyle (2005) argues that this political culture offered strong political protection to Local Employment Services, with the dominant party for many years, Fianna Fáil (FF), having a strong relationship with FÁS (An Foras Áiseanna Saothair), the National Training and Employment Authority (the PES up to 2010). The 2008 economic crisis and austerity shifted the party system, with a decline in the traditional dominance of the two large centre-right parties, Fine Gael (FG) and FF. The new government formed on 29 June 2020 comprises FF in coalition with traditional rivals FG and the smaller Green Party, with Sinn Féin the largest opposition party dominating a fractured left.

Two features of the Irish state merit particular attention from the perspective of institution building: the small size of the state and the highly centralised nature of power in the state. Small state governance theory suggests smaller states face different problems than those of larger states, both economically in terms of the size of the domestic market and administratively in terms of less human resources (Boucher & Wilson, 2017). Globalisation, regionalisation and marketisation are experienced in different ways in smaller, more vulnerable political economies. A smaller public administration may limit the scope and capacity of activity, while reliance on informal relations, a common feature of small states, offers both opportunities and constraints. Understanding Ireland's distinct social ecology and its impact on the functioning of politics, administration and economy is important. Ireland's political economy is oriented as an open export

economy which is strong but volatile (O’Riain, 2020). In a small state, social compensation can ensure societal protection from volatility and provide investment in building capacity for adaptability. Strong domestic institutions, national and local, with capacity for policy coordination and learning are needed in the face of constant change (O’Riain, 2020). A smaller, low-paid foundational domestic economy is neither highly skilled nor well paid. Strong PES are needed to increase productive capacity of the indigenous sector in a small state competing in an open global and volatile economy. In a small state the procurement or outsourcing of provision of services can be vulnerable to domination by a small number of societal or market actors, leading to monopoly-like quasi-markets (Murphy et al., 2020a).

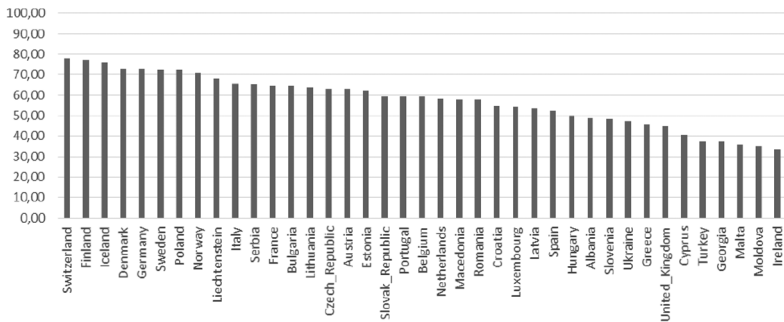
A key tension determining the path of institution building in Ireland is the paradoxical reality of highly centralised power alongside strong localism. While local county loyalty is strong, county-level power in Ireland is weak, with consequences for institutional capacity, planning and governance. The local autonomy index (Figure 1) shows Ireland to be among the European countries with weakest local autonomy, with strong limiting consequences for the potential role of local government in PES, procurement and regional planning. While vertical coordination may be a positive advantage in command-and-control departmental administrative systems, the absence of strong local government means fault lines in local horizontal coordination. This makes the integrated delivery of social services more complex to deliver (Scharle et al., 2018).

Table 1 shows Ireland grouped with countries with unitary governance and weak local autonomy, including Portugal, Romania and Slovenia. This is important for policy learning, lesson drawing and policy transfer as there may be less institutional fit with states offering best-practice examples of PES where the transferability of policy solutions requires strong local autonomy, e.g. Denmark (Larsen & Caswell, 2020). There is also less fit with examples from the English-speaking states from which Ireland so often seeks to draw.

Table 1: Comparative assessment of governance in Ireland

<i>Government Federal</i>		<i>Unitary and strong local autonomy</i>	<i>Unitary and weak local autonomy</i>
EU states	Austria, Switzerland, Germany	Denmark, Belgium, Spain	Portugal, Romania, Ireland, Slovenia

Source: Scharle et al. (2018).

Figure 1: Local autonomy index

Source: Ladner et al. (2015).

Note: The Y axis refers to a local autonomy score and represents a composite figure based on a number of weighted variables. Effective political discretion and financial autonomy are weighted as very important, policy scope and organisational autonomy are weighted as important, and the remaining three variables of financial autonomy, central or regional control, and vertical influence are weighted as important. Using this methodology in 2014 Ireland had the least local autonomy.

PES in Ireland, from the 1980s' crisis to the pandemic crisis

Emerging from the need for PES reform in the context of the high unemployment and social distress after the 1980s' economic recession, FÁS was established in 1988 as the Irish state agency with responsibility for assisting those seeking employment. Governed by a board composed of employer and trade union representatives and appointed by the Department of Employment and Enterprise, its services were open to all irrespective of employment status, and it was institutionally separate from the administration of income supports (Boyle, 2005; Murphy, 2012). During this time, labour market policy innovation was deliberately processed through partnership governance (O'Donnell, 2021). Problem-solving focused on resolving the 1980s' legacy of serious long-term unemployment, and on innovated, area-based local development partnerships with Local Employment Services Networks (LESN) and a range of locally provided labour market programmes (National Economic and Social Council, 2005, 2018). Established in 1992, these were originally locally governed but in 1998 were brought under the auspices of FÁS. Over this period the European Employment Strategy focused on more

engagement with unemployed people. Monitoring of national employment action plans exposed how FÁS engagement was relatively light touch and ineffective. Pressure for PES reform began to grow (National Economic and Social Council, 2005); however, FÁS appeared politically protected from reform (Boyle, 2005; Murphy, 2012).

Over the 2000s the relatively hands-off governance of local PES (LESN) by the national PES (FÁS) began to shift and institutional boundaries between the two blurred; however, up to 2008 the still relatively pragmatic development of PES in Ireland reflected a relatively social democratic policy consensus (Wiggan, 2015). The local partnership institutions remained the site of significant labour market institutional innovation with targeted localised services (O'Donnell, 2021; OECD, 2016) and, as forms of local networked governance, local partnerships somewhat compensated for the absence of local government. However, over time they were expanded into larger country-level boundaries synonymous with local government administrative boundaries and, by 2014, were incorporated within local government (Murphy et al., 2020a).

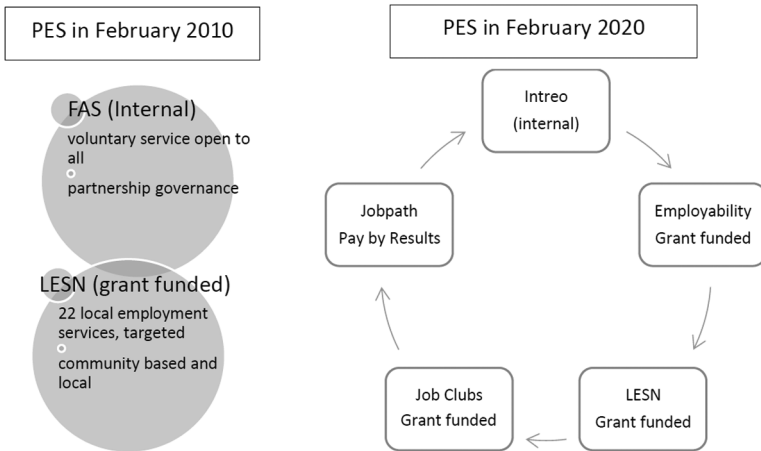
The 2008 global financial crisis provided a window of opportunity for further reform of PES when at the same time the political protection previously afforded to FÁS dissipated in the context of a 2010 FÁS corporate governance scandal. With a now urgent impetus to dissolve the institution, FÁS training functions were transferred to a new national Further Education and Training Authority, SOLAS, and to sixteen new regional education and training boards. The PES function of FÁS, including the LESN, was transferred to the DSP. The latter merged their income supports with PES, and amalgamated FÁS PES with an existing community welfare service and frontline administrative staff into a new 'Intreo' PES, with sixty offices established nationwide by 2014. In the context of limited capacity and a policy shift toward marketisation, the DSP also augmented existing provision with a procured Payment-by-Results privatised service, JobPath. A niche service, 'EmployAbility', provided employment services for people with a disability, and the Local Employment Service and Job Clubs remained grant-funded (Lavelle & Callaghan, 2018).

This early-2010s' shift towards work-first and marketised, Payment-by-Results procurement models reflected a more centralised approach to governance. There was less local autonomy for LESN, whose work model became absorbed into Intreo's workload. PES do not exist in a

vacuum and in practice are closely correlated with national income support systems. All activation policies comprise some degree of enabling, regulatory and compensation functions (Brodkin & Larsen, 2013). Ireland's traditionally weak regulatory activation regime was intensified in 2012 when the income support system was merged with the public employment system (Köppe & MacCarthaigh, 2019), and a new range of penalties or sanctions was introduced for failure to comply with a new range of activation conditionalities (DEASP, 2012, 2016). Prior to Covid-19, the numbers sanctioned under the new regime had increased annually, albeit internationally the Irish sanction rate remains relatively modest (Cousins, 2019). Figure 2 represents the shift in configuration of PES from February 2010 to pre-pandemic February 2020. Differing from the UK reform experience, political parties did not necessarily drive reform; rather they ceased vetoing PES reform. The drivers for this unprecedented level of reform and shift towards a more work-first-oriented PES included a complex mix of practicality and ideology. PES were in crisis in the context of mass unemployment, and reform was urgently needed to meet capacity deficits. However, there was also tactical use of the window of opportunity to implement a reform in which both international and local policy entrepreneurs had long been interested (Dukelow, 2015; Hick, 2018).

The contrast between 2010 and 2020 includes more centralised governance by a new parent department, the DSP, who along with its own reconfigured service, Intreo, oversees new Payment-by-Results forms of contracting (JobPath) while maintaining traditional block-grant-funded services such as Local Employment Services, Job Clubs and EmployAbility. Influenced by wider international trends (Considine et al., 2014; Finn, 2012; Wiggan, 2015), legal advice emerged in 2016 that recommended all contracted PES be procured and has since dominated the reform agenda (Murphy et al., 2020a, 2020b). Similar to other liberal welfare states, these New Public Management oriented procurement strategies and shifts to marketisation and Payment-by-Results have undermined collaboration (Considine et al., 2014; Rees, 2014; Taylor et al., 2016; Wiggan, 2015). The short-term nature of grants and stop-start funding also impacts on staff morale and well-being in LESN, Job Clubs and EmployAbility services (Murphy et al., 2020a). The next section briefly examines pandemic-era policy responses. We then utilise the SAF approach to deepen understanding of the underlying dynamics, and of how increased marketisation impacted on structure and agency in the PES SAF.

Figure 2: Configuration of Public Employment Services and funding source in Ireland, 2010 and 2020



Source: Lavelle & Callaghan (2018); Murphy (2012).

The pandemic – Income support and PES response

The DSP Covid-19 income support response was agile and revolved around the creation of a new income support payment, the PUP, for which over 600,000 initially registered. The aim was to ensure immediate cash flow to newly unemployed workers and self-employed people who had lost income. Established on 16 March 2020, with a one-page application process to enable rapid administration, PUP was initially paid at the primary adult social welfare rate of €203 per week, and on an individualised basis and with no household limits. On 24 March the rate of payment was increased to a relatively generous €350 per week (this also applied to Illness Benefit, which for Covid-19 purposes also had the six waiting days’ requirement waived). In the context of mass unemployment, and stay-at-home and social distancing guidance, job-search requirements were suspended, and all contracted employment services staff were retained and worked remotely, with the focus on supportively keeping in touch and filling vacancies as they arose. From early June, contact was resumed for the purposes of activation and contracted agencies were advised normal services would resume but would be adjusted with greater client numbers per case worker. However, as the second and third

lockdowns emerged, PES have effectively remained in cold storage. As of March 2021 most Intreo staff have been seconded to backroom income support administration and contracted PES staff are engaged in basic work maintaining supportive client contact.

By 10 August 2020 there was a 60 per cent decrease in the numbers claiming the PUP payment. However, by early November, a second lockdown saw the number on the payment increase, as it did again in the third (and longest) lockdown, while in February 2021 the PUP was extended to 30 June 2021. The political system, having created a relatively generous emergency short-term payment, is anxious to regularise the payment within the mainstream welfare system but has had little opportunity to do so. Despite some stigmatisation,² the political discourse has consistently described PUP recipients as the ‘no fault’ unemployed, and we can anticipate government will struggle to apply activation and conditional work requirements to PUP claimants whose ‘normal’ employment was suspended upon public health grounds, and who may well consider themselves employed. Artists, for example, have successfully campaigned for conditionality to be waived for one year and for a pilot basic income payment of €350 per week. Such discontinuity may lead to public ambiguity about conditionality (already evident in the context of mothers with young children and people with disabilities (McCashin, 2019)). Covid-19 has also brought into the public eye the reality of the poor employment conditions of many low-paid workers in the essential economy, including women, migrants and young workers. This combination of factors may lead to more questioning of what is ‘reasonable’ to activate people into (Labour Market Advisory Council, 2020, p. 13), with consequences for the form and function of future PES.

Strategic Action Fields

Fligstein & McAdam (2011) developed SAF as a conceptual model offering perspectives on social structure, agency and collective strategic action, and it has proved particularly applicable to

² The 23 July 2020 Stimulus Package included stepped measures to reduce the payment back to the standard €203 per week Jobseeker’s Allowance income support by April 2021 and to close PUP to new claimants from 17 September 2020. Around this time, the political narrative shifted to getting people back to work as quickly as possible, PUP clients were targeted at roadblocks and checks at Dublin Airport, and thousands of PUP claims were discontinued. This dissipated in the context of new lockdowns and reversals of plans to merge PUP with standard income supports.

understanding PES and projects of institution building. SAFs are the basic building blocks of modern political/organisational life in the economy, civil society and the state, and the SAF enables us to examine efforts of collective actors to vie for strategic advantage in and through interaction with other groups in meso-level social orders or fields. SAFs have been used to understand how state funders shape the responses or strategies of organisations in state-funded fields. Taylor et al. (2016) specifically utilise the multidisciplinary social theory concept of 'field' to understand the social world of PES in the UK and to conceptualise how market competition turns into more competitive processes between previously cooperative third sector actors, leading to mission drift in the not-for-profit organisation. Our interest here is in better understanding the institutional dynamic in the PES field in Ireland; in particular, how processes of contracting services are 'field shaping' and how institutions evolve and interact in the context of market management.

Fligstein & McAdam (2011) identified how SAFs are shaped by various actors jostling for different positions (of power) and by dynamic environmental and temporal conditions. These can be identified by the various types of roles or positions they occupy in the field (incumbents, challengers, commissioners), actors (government units, policy entrepreneurs, private agencies, etc.) and events/environmental conditions (exogenous shocks, ruptures, episodes of contention, etc.). Fields experience episodes of contention which then settle. We can understand the Irish PES as a SAF with incumbents (Intreo and DSP), challengers (LESN, JobPath) and governance units (DSP); various social skills (local networking); the broader field environment (legislative and political context); exogenous shocks, including different types of crisis, field ruptures and action in adjacent community, social and education fields; and the onset of, and episodes of, contention (consultation about and opening of new procurement of funding models, or entry of new actors) and settlement, as the actors adapt into new structures (see Figure 3).

Seeing institutions and actors as a SAF allows us to interrogate how fields emerge and adapt, and to identify tensions between structure and agency in different periods of social change and stability, as well as the role of different actors, including policy entrepreneurs and ideational actors. It offers insight into the spatial organisation of territory, enabling us to see how changes in the field impact on collaboration and competition between the different actors. In this context we can identify how commissioning and procurement within

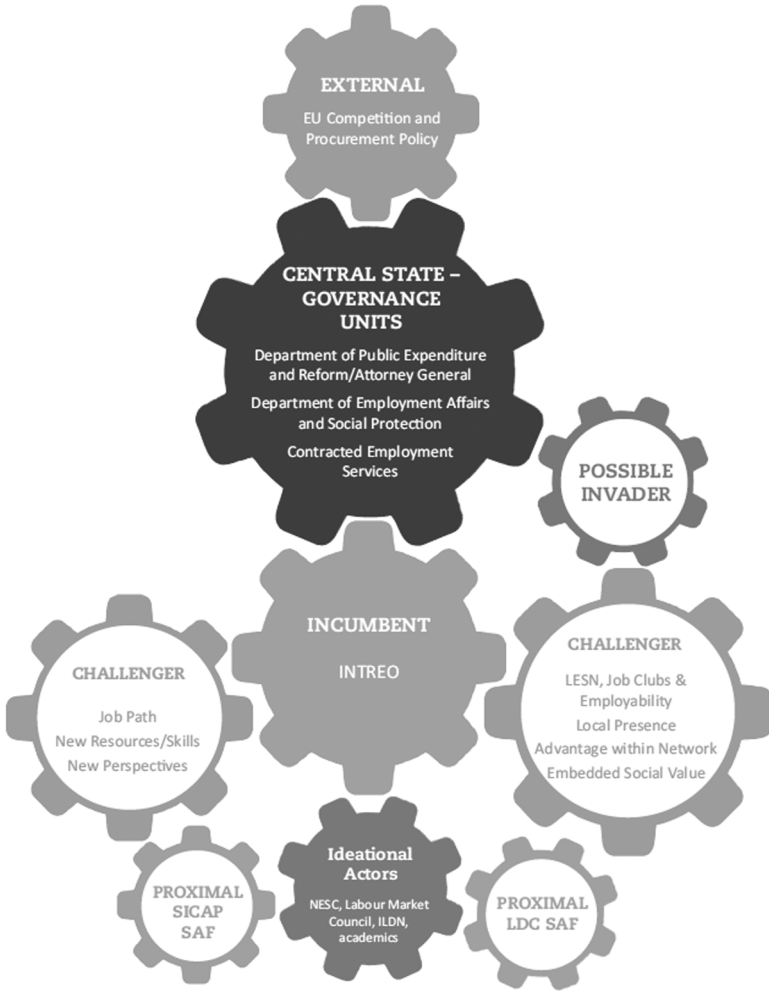
the Irish PES SAF creates dynamics between the different actors. We see a shift in the modus operandi of governance as operational decisions, such as which clients to send where for what type of PES, must in the first instance honour contractual obligations for contracted services (Murphy et al., 2020a), or see how uncertainty about future procurement of PES can, over time, reduce collaboration, leading to ‘co-opetition’ between local actors and reducing the likelihood of integrated and effective services (Nalebuff & Brandenburger, 1996).

Crucially, using a SAF also allows us to understand how proximate fields relate, and how dynamics in one field can create movement in an adjacent field or in the wider ecosystem. Changes in the Social Inclusion Community Action Programme (SICAP),³ for example, impact on the PES SAF, as do changes in the education and training fields and agencies such as SOLAS or education and training boards. Figure 3 maps the PES in Ireland as a SAF with its internal dynamics, different territorial levels, ideational and policy actors (national and international), adjacent fields and those actors who can be considered incumbents (Intreo) and challengers (LESN, JobPath, EmployAbility). Given Ireland’s small domestic market we observe few ‘invaders’ (external or international actors may be less likely to tender or compete to deliver services in a small state’s domestic market).

Using SAF to understand the dynamic between different actors and between structure and agency in the PES SAF gives us insight into the pre-pandemic PES reform agenda in February 2020. Underlying structural tensions were evident in 2019, when the DSP contracted the IES to examine options for reform and contracting of PES. Options included retaining/expanding use of the existing Payment-by-Results commissioning model used to procure JobPath (the PES for the long-term unemployed) and/or maintaining/reforming the block-grant model used to procure PES for those more distant from the labour market. As part of ideational dynamics and resistance to procurement, alternative proposals from not-for-profits and other advocates

³SICAP provides funding to tackle poverty and social exclusion through local engagement and partnerships between disadvantaged individuals, community organisations and public sector agencies. Administered by Pobal and funded by the Irish government through the Department of Rural and Community Development, it also receives funding from the European Social Fund under the Programme for Employability, Inclusion and Learning (PEIL) 2014–2020. In 2014 a new procurement process caused significant contention in the SICAP SAF.

Figure 3: PES as SAF



Source: Murphy et al. (2020b).

emerged, focusing on networked governance and collaborative innovation as ways to develop local PES and manage underlying tensions between structure and agency, and different actors in key episodes of contention (Murphy et al., 2020a, 2020b).

Developing a post-pandemic PEES – Institutional reform agenda for Ireland

The learning from this SAF analysis of Irish PES draws attention to the degree of disruption and contention associated with changes in funding mechanisms which attract new actors, highlights the need for a broad range of funding mechanisms to accommodate diverse actors in a collaborative field, and reminds us of the importance of adjacent fields and exogenous shocks in any discussion of PES reform options. Given the scale of Covid-19-related job loss and unemployment, there is an urgent need to maximise the range of services required to help people survive and thrive, but there is also a need to learn how to prepare for future shocks and transitions. PES are central to any plan for societal and economic adaptation. Recognising that institutions are often path dependent and that institutional stickiness is often an impediment to reform, new thinking is needed to maximise opportunity and widen understanding of what may be possible. The concept of a state-led ecosystem tasks us with identifying how social institutions – political systems, social structures and social provisioning systems – can enable individuals to flourish within them (Brand-Correa & Steinberger, 2017). There is a strong evidence base that positive impacts can be delivered by more integrated approaches (Munday, 2007; OECD, 2016; Scharle et al., 2018), specifically in the area of employability services (Lindsay et al., 2020). Vertical or systemic integration requires comprehensive action plans to be prepared at a central level and cross-cutting and coordinated measures to ensure all measures work together. A horizontal form of service integration happens more often locally, where key social services are delivered jointly (using one-stop shops, through case workers or through proactive referrals/no wrong door). A third type of horizontal integrated service – individualised, interdisciplinary needs assessment – is less common but can happen in PES.

The call for an active or enabling state is not new in Irish social and economic policy. The concept of an active state was at the heart of the Developmental Welfare State (National Economic and Social Council, 2005) and is also evident in more recent arguments for ‘eco-social’ states (Murphy & McGann, 2020). At the heart of an active state is the concept of networked governance, which Ireland experimented with in the 1990s and early 2000s and which dominated Irish PES development in the 1990s. While the Irish social partnership process was often critiqued as an exclusive process that reinforced

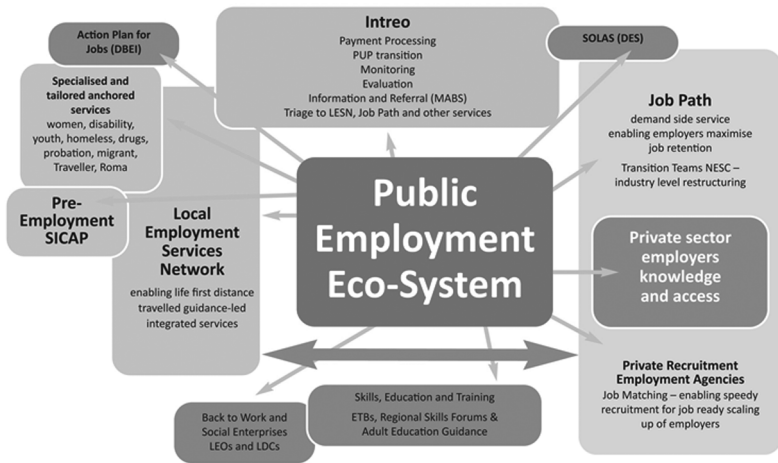
existing power, economic and social differentials, there is still significant learning to be garnered about systems of policy collaboration and innovation. A network governance approach to PES commissioning would entail sharing decision-making between actors and coordinating the overall design, planning and delivery of services via collaborative and trust-based governance arrangements rather than competitive market-like dynamics; this approach is described as 'co-produced commissioning' (Loeffler & Bovarid, 2019; New Economic Foundation, 2020, p. 12).

The earlier discussion and analysis allow us to identify key principles for a PEES: diversity of provision, multiple actors, public, private and community; capacitating state actors, vertically and horizontally integrating services; networked governance and co-production; bottom-up learning. These agile and adaptable institutions need to be embedded in a new welfare architecture; non-stigmatising income and basic services; and enabling supports to access decent work. From the process of mapping the SAF we evolve, in Figure 4, a PEES for Ireland. In Figure 4 a facilitative or active state provides a policy context in which the available network of all employment services is utilised to maximise their relevance to the public policy objective of maximising sustainable employment for all in a rapidly changing economy and labour market. The PEES builds on existing institutions, and the various functions of the institutions within this ecosystem can be adapted in the short-to-medium term. For example, in a recession or crisis the excess capacity of private recruitment employment agencies (PREAs) can be used to fill gaps, skills shortages and information deficits in PES. In times of high employment, such capacity will not be needed but PREAs will play a vital role matching supply and demand and identifying emerging sectoral employment trends.

Enabling maximum use of public, private and not-for-profit resources requires a partnership approach to networked governance, and processes of collaborative innovation, especially at local level. As mapped in the SAF, different delivery actors and mechanisms (Intreo, LESN/Job Clubs, JobPath and EmployAbility) are already in place in Ireland, and while there are various issues with capacity, competence and culture, they offer a solid starting point from which to build the ecosystem. It is essential that these services are open to all who need or want them and are not considered an exclusive welfare service, so different types of funding, referral mechanisms and routes into employment are necessary. Intreo will continue to be a central driver

of PES, triaging or directing welfare clients as appropriate to the LESN, JobPath or other employment services. Ireland, as a small quasi-market, may find it difficult to attract large multinational PES providers, making it more urgent to invest in developing a diverse range of local providers. This is best facilitated through a range of contracting relationships between the state and other private and community actors (for-profit/not-for-profit actors). Enabling the voice of staff and service users to be heard throughout the policy cycle is crucial to ensuring relevant and timely PES adaptation to changing labour markets in this increasingly volatile global economy. Gender-proofing labour market policy is necessary to guide policy away from ‘careless activation’ and a still partial male breadwinner welfare state.

Figure 4: The Public Employment Eco System (PEES)



Source: Murphy et al. (2020a)

Conclusion

Over the last two decades Ireland has had some success in policy innovation, including creative local institution building in the mid 1990s. While the work-first-led activation response to the 2008 economic crisis is considered to have had some success, ultimately a significant minority were left behind and did not experience economic or social recovery. It is essential to learn from this and, from the

beginning, aim for an inclusive post-pandemic recovery for all, one that is consistent with Sustainable Development Goals and national inclusion strategies, and that can meet the numerous challenges of inevitable future crises.

It is not clear how the pandemic will impact on this longer-term process of PES reform but, as discussed above, the profile of claimants now claiming PUP are likely to be more demanding of PES while also more resistant to conditionality and poor-quality employment. Ireland, as a small, open political economy, is particularly vulnerable to global shocks. The reality of Covid-19 demonstrates the need to be adaptable to future shocks, and PES are pivotal to enabling societal and economic adaptation to future developments, including the fourth industrial revolution (automation, digitalisation and AI) as well as climate change. Adaptation is often local in nature and, as a highly centralised administration, Ireland demonstrates clear fault lines in capacity for local integrated delivery.

Covid-19 offers an opportunity to review the approach to PES activation, income supports and conditionality, and to emphasise enabling support rather than negative regulation. PES could evolve in the context of a social contract based on a 'social wage' that provides collective or universal basic services which are sufficient for life's essential needs, and income support to enable all those who need it to have direct access to sufficient money to pay for remaining affordable essentials. Income support innovation in response to the pandemic can lay the ground for new forms of income support that support societal care and sustainability (Murphy & McGann, 2020). The pandemic has also proved how government can act decisively when the political will is there. This may prompt demand for better policy, while the need for adequate health, housing and care services in the form of universal basic services is now clear. Such services work best when combined with a reformed individualised social security system that is sufficient and non-stigmatising for all, and with enabling PES that leave no one behind.

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