

A JobBridge to Nowhere: The National Internship Scheme as Fast Policy Leading to Bad Policy

Jonathan Arlow

School of Law and Government
Dublin City University
Dublin 9
Ireland
Email: jonathan.arlow3@mail.dcu.ie

Abstract:

JobBridge, the Irish national internship scheme, was a labour activation measure launched in July 2011 during a period of extreme economic crisis and was marketed as a chance for young people to gain career experience in quality work placements. Over 60 per cent of participants found employment after leaving the scheme but it suffered from high deadweight losses and was widely criticised as exploitative during its existence. This was quite predictable, which leaves the puzzle as to why JobBridge was designed without more regulations to protect the entry level jobs market and the interests of the unemployed? This paper will trace the processes behind this sub-optimal decision making. First, it will show the institutional factors influencing poor policy decisions on labour activation. Then it will explain the main incentives behind an under regulated programme, which were the need to develop a workable scheme as quickly as possible and to do this without significant funding. Finally, it will show how the decision making process prioritised the interests of the Labour party, government, business and the concerned parents of unemployed youth over the interests of the unemployed.

Key Words: Active Labour Market Policies, Labour Activation Measures, Internships, JobBridge, Youth unemployment, Public policy, Social welfare.

The JobBridge internship scheme was launched in July 2011 during a period of economic crisis in Ireland and was marketed as a chance for young people to gain career experience in quality work placements, thus easing the transition from education to work. JobBridge originally consisted of 5000 state funded internships made available in the private, public or voluntary sectors. The internships lasted from six to nine months with an average working week of 39 hours. On top of their welfare entitlements an intern received €50 a week from the Department of Social Protection (DSP). The policy guidelines for JobBridge devised by the DSP provided a “new career” narrative as the basis for the internships, with the hope that “quality work experience” would lead to enhanced youth employment opportunities (Department of Social Protection 2014, 2-3). However, despite this optimistic start, the scheme was widely criticised by the media and left-wing activists as being exploitative and a smoke screen for government inaction on youth unemployment. The two independent reports into JobBridge (Indecon 2013; 2016) found that most participants found employment within five months of finishing an internship (Indecon 2013, 113) but this figure disguised significant deadweight losses, which meant that over three quarters of interns would have found work without using the scheme (Indecon 2016, 67). Also the executive summaries attached to these reports did not adequately reflect their substance; both of which raised serious questions in relation to the potential for job displacement and substitution (Indecon 2013; 2016). Furthermore, JobBridge quickly became a toxic brand for the government, facing widespread public opposition and ridicule. For instance, a prominent liberal columnist and a satirical television programme attacked both the scheme and the culture of unpaid internships (Mullally 2013; Republic of Telly 2014). The fact that Leo Varadkar, then Minister for Social Protection, announced his intention to end JobBridge in 2016 without an immediate replacement and months before the completion of the second evaluation shows that the scheme had been seen as a failure by government (Brennan 2016). Yet the JobBridge policy design failed to the extent that a small increase in the screening of host organisation eligibility by the DSP could have significantly reduced the controversy surrounding the scheme and increased its overall effectiveness. This leaves the puzzle as to why JobBridge was not designed with more regulations to protect the entry level jobs market and the interests of unemployed youth?

This paper will follow the decision making process in the design of JobBridge during an unusually short time period from the start of the Fine Gael / Labour government in March 2011 to the launch of JobBridge on the 1 July 2011. Given that this paper aims to trace these processes that led to the sub-optimal decision making on JobBridge (George and Bennet

2005; Bennett and Elman 2006), the evidence within the body of this paper is provided in chronological order. Labour party officials with decision making responsibilities in the design of JobBridge proved unwilling to give interviews on this topic, so data collection relied heavily upon Freedom of Information (FOI) requests from the Department of an Taoiseach and the Department of Social Protection.¹ These information requests largely focused on JobBridge issues that were raised within the two departments during the relevant design period in the year leading up to its launch and the subsequent year following this. For instance, FOI requests were sent to both departments seeking all documentation in relation to the National Internship Scheme (which would later become known as JobBridge), prepared for or considered by the Taoiseach and Minister, Senior Officials, and Cabinet, including documentation prepared for any meeting or arising from those meetings. These FOI requests also sought all correspondence each department had with the Small Firms Association (SFA), the Irish Business and Employers Confederation (IBEC) and the Irish Congress of Trade Unions (ICTU) relating to the internship scheme. And a follow-up to these FOI requests was directed at the DSP to seek further information about the policy design around the Skills Development and Internship Programme, which was a policy precursor to the JobBridge scheme. The data provided from these requests provides the bulk of the evidence for causal-process observations within the process tracing framework, which are used in this research to both describe JobBridge as a political phenomenon and to establish chronological causal claims about what actually led to its sub-optimal policy design (Collier 2011, 823-824).

The theoretical framework for this research follows that applied by the other papers in this special issue. This theory argues that policy success or failure is largely a result of the implementation of good or bad policy decisions. These policy decisions come about through the process of institutions, ideology and interests interacting in unique ways to choose decision makers. The same interaction of factors structures the incentives faced by these decision makers and helps to influence how they process the (often complex) information available to them. So, the probability of policy success is vastly increased if policy is arrived at through a sound decision making process that is not overly influenced by any single factor, which helps to produce incentives for policy makers to make decisions in the public interest and not on the basis of biased views. And the likelihood of policy failure increases if any one factor (or

¹ Two interviews carried out on the basis of anonymity were used in this research. The first was with a DSP official with knowledge of the JobBridge programme. The second, was with a senior trade union official within Congress.

factors) dominates the decision making process to the detriment of policy makers' ability to process the information and incentives available to them, which can lead to policy decisions that fail in delivering value to the public.

Using this theoretical framework and the documents procured through Freedom of Information requests, this research finds that the incentive behind this fast-paced policy design was the need to be seen to “do something” during a period of extreme youth unemployment, this crisis was compounded by a lack of money available to the state which incentivised the development of policy that did not require the allocation of significant financial resources. So, these two powerful incentives led to decision making on policy design that was sub-optimal but not irrational. Effectively, the decision makers in the new government had responded to the unemployment crisis by insisting that “something must be done” and done fast, with limited amounts of funding. In doing this they were addressing the interests of the Labour party, government, business and the concerned parents of unemployed youth. Obviously, policy makers were also attempting to meet the needs of the unemployed but their insistence on a low regulated scheme that could deliver immediate results led to a policy outcome that was predictably less effective for the unemployed.

This paper will first explain the policy design flaws within JobBridge, many of which are recurring problems within labour activation measures in general. It will then provide evidence as to why there were no institutional factors preventing bad policy decisions on labour activation. Then it will explain the main incentives that led to this sub-optimal decision making, and trace how the interests of the Labour party and business overly influenced the decision making process. Finally, it will outline how ideological factors helped to create a decision making climate in which instituting a well-regulated internship scheme was a less politically viable option.

The Design Flaws in JobBridge

Active Labour Market Policies (ALMPs), such as JobBridge, were developed in the 1970s as a policy response to the high inflation, high unemployment and slow growth of the “stagflation” years (Safrati 2013, 149). It was hoped that they would contain welfare costs by encouraging, assisting and compelling people into work. However, much of the empirical evidence shows that these activation policies often result in ambivalent outcomes, and they regularly fail to

meet their stated objectives (Dyke et al. 2006, 601). For instance, some studies that evaluate the efficiency of ALMPs claim that they reduce unemployment (Estavao 2003; De Serres and Murtin 2013; Murtin and Robin 2013) but others show that they have no significant impact (Baker et al. 2005) or only work when there is no downturn in the economy (OECD 2009). Even in the Nordic countries, where these policies receive significant state funding, labour activation has failed to benefit those at the margins of society, such as young single mothers or vulnerable minorities (Safrati 2013, 151). Martin (2015, 29) finds that ALMPs are generally effective at finding jobs for the unemployed, but many countries only “pay lip service” to labour activation in order to artificially manipulate the unemployment numbers and institute welfare-to-work schemes. In a recent study, Vooren et al. (2016) have shown that ALMPs in general have negative impacts over the short term, with a longer term net benefit for society and the participant. But ALMPs that have considerable training elements will avoid this initial negative impact (Vooren et al. 2016, 15).

So, JobBridge is not unique among ALMPs in being controversial or in having questionable benefits. If effective policy is about delivering public value (Easton 1953, 126-129) then there must be measurable benefits for the public, which can help determine if the policy has achieved its desired goals. To this end there have been two independent evaluations into JobBridge conducted by Indecon International Research Economists (Indecon 2013; 2016).² When evaluating labour activation measures, the three main issues of concern according to the International Labour Organisation (ILO) should be the following:

- Deadweight Loss- this is the participation of young people in the scheme who would have found paid employment without it.
- Substitution- this is employers replacing paid staff positions with unpaid interns.

² The second Indecon report (2016) was made in conjunction with London Economics, and was far more detailed in its evaluation than the first report (Indecon 2013). However, both reports were similar in that the recommendations mirrored the stated preferences of the Ministers who commissioned them. Joan Burton’s report recommended increasing the scope and duration of what was claimed to be an effective scheme (Indecon 2013, ix & x), while Leo Varadkar’s report claimed that the scheme was flawed and recommended closing it down (Indecon 2016, viii & x).

- Displacement- this is the loss of jobs in other enterprises due to the competitive advantage given to organisations using the internship programme (Arlow 2016; O’Higgins 2001, 111).³

Neither Indecon report assessed the problem of displacement and no consideration was given to this issue in the policy design of JobBridge. Surprisingly, Indecon claimed that as there was an open door policy on host organisation eligibility they would presume that all relevant companies would avail of the scheme and thus there would be limited competitive advantage to employers (Indecon 2016, 67-68). The potential impact of ignoring this problem can be viewed in the well-publicised case of Advance Pitstop, which took on 28 JobBridge interns to work in administration and as mechanics in their company (O’Connor 2014). Michael Taft (2014), the research officer with the UNITE trade union, has calculated that for this firm to have hired the same number of people at minimum wage for six months would have cost €273,308 including employer’s PRSI. There is no suggestion that Advance Pitstop acted outside the rules of the scheme, but this figure indicates how private business interests can accrue serious financial and competitive benefits from using AMLPs that have light regulation for host organisations.

The potential problem of substitution was most effectively dealt with in the second Indecon report which estimated that 29.1 per cent of internships replaced paid staff or replaced new entry level positions (Indecon 2016, 67).⁴ This means that at its height, when there were 6,500 internship places, nearly 1,892 JobBridge interns could have been replacing full-time paid positions.⁵

Finally, the most concerning issue relating to JobBridge was the extent of deadweight loss, with the second Indecon report estimating this figure at 75.6 per cent (Indecon 2016, 67). This means that three quarters of interns would have been as successful at gaining paid employment if they had just stayed on the live register and not availed of the scheme. If ALMPs are to be successful they need to include extensive youth training, have effective monitoring to ensure quality, be well funded, and include an effective public employment policy (Safrati 2013, 153). And the programmes should be “targeted” at specific groups of unemployed; a one-size-fits-all approach only leads to processes being put in place that predominantly benefit

³ One Indecon report (2013) uses the term “displacement” when referring to the process of substitution, but this research will use the common ILO definitions detailed above in reference to these problems.

⁴ This figure is based on the opinion of interns, so it may overestimate the extent of the problem (Indecon 2016, 67).

⁵ Although the scheme expanded to a possible 8,500 places, its maximum active participant rate was 6,500 internships.

those best able to help themselves (Betcherman et al 2007, 63; O’Higgins 2001, 142). In the case of JobBridge, it was marketed at unemployed youth but in effect it was open to all the unemployed, with only 25 per cent of interns actually being under 25 (Indecon 2016, 9). In effect, the government’s desire to institute an easily accessible internship scheme took precedence over limiting it to just unemployed youth.

The scheme also lacked any of the policy elements that help to create successful ALMPs and it had limited on the ground monitoring by case officers to ensure a quality experience for interns. In the absence of these regulations, ALMPs become little more than an exercise in massaging unemployment figures, which provides the perception of government action on unemployment without actually tackling the structural problems behind it (Standing 2011, 144). In fact, policy failure within ALMPs can be considered commonplace as they regularly fail to meet their stated objectives and often inspire widespread public opposition (McConnell 2010, 357). The next part of the paper will explain why the decision making process on JobBridge did not include policies, such as effective monitoring, that could have ameliorated abuses of the system and increased its effectiveness for unemployed youth.

Table 1: Chronology of key decisions and events relating to the JobBridge Internship Scheme (2011-2016).

Date	Event
September 2008	Ireland officially enters recession
2009 – 2011	Youth unemployment rate increases from 13% to 30.5%
June 2009	Work Placement Programme (WPP) launched
November 2009	SFA & IBEC launch Gradlink (employment process identical to JobBridge).
January 2010	Minister Mary Hanafin (FF) confirms retention of social welfare benefits for Gradlink interns.
24 November 2010	National Recovery Plan 2011 – 2014 (“skills development and internship scheme”)
February 2011	Labour Party Manifesto- commitment to a “Bridge the Gap” internship scheme.
9 March 2011	FG / Lab Government
April 2011	Legal advice that employer contribution would make an intern a legal employee and trigger minimum wage legislation. Time pressure to launch programme meant employer contribution not considered.
11 April 2011	Decision to scrap the Skills Development and Internship Programme and build on WPP. JobBridge costs estimated at €1.3m plus admin costs in 2011 and €2.6m plus admin costs in 2012. Deadweight/Displacement controls recommended in report for government.

15 April 2011	Key JobBridge policy design issues isolated before Cabinet meeting.
5 May 2011	JobBridge policy plans announced
6 May 2011	Minister Burton wants an internship duration of 1 year but Minister Howlin (Public Expenditure) vetoed this. Host organisation eligibility criteria relaxed.
10 May 2011	IBEC / ICTU briefed on JobBridge. Policy finalised on internship eligibility and host organisation criteria. Application process to mimic Gradlink/WPP.
26 May 2011	Application for JobBridge administrative staff rejected by Finance (focus on desk based monitoring).
1 June 2011	JobBridge Steering Group announced (mostly private and voluntary sector, no trade unions).
9 June 2011	Monitoring / quality issues addressed through monthly online reports completed by host organisations and an online “toolkit” to encourage professional development.
13 June 2011	Three Clerical Officers on six month contracts assigned to administer JobBridge (funding from existing resources).
21 June 2011	SIPTU raises issues of internship quality, voluntary nature of scheme reaffirmed as a response to this.
29 June 2011	Social Welfare and Pensions Act 2011 (Section 6)- A participant in JobBridge cannot be considered an employee [DSP concerned that the scheme could be targeted under employment legislation]
1 July 2011	Scheme commences
17 July 2011	Joan Burton makes “lifestyle choice” remark
December 2011	First welfare cut for unemployed youth
April 2013	Indecon JobBridge Evaluation I
May 2013	JobBridge expansion to a potential of 8,500 internships announced
October 2013	Eamon Gilmore makes “Flat-screen TV” remark
December 2013	Further welfare cut for unemployed youth
May 2016	Minister Varadkar announces “replacement” of JobBridge once Indecon reports
14 October 2016	Indecon JobBridge Evaluation II
18 October 2016	Official end of JobBridge announced
1 October 2018	JobBridge replacement- Youth Employment Support Scheme (YESS) launched

(Source: Freedom of Information requests)

Institutional Factors and the Unemployment Crisis

In tracing the decision making process behind JobBridge, it is important to stress that the one overriding incentive behind such a fast paced policy design was the scale of the unemployment crisis facing Fine Gael and Labour in March 2011. From 2007 to 2009 Ireland had the largest

increase in youth unemployment within the European Union (O'Higgins 2010, 4), and the youth unemployment rate reached 30.5 per cent in the lead up to the 2011 general election (Eurostat 2018). This is an obvious crisis that required an immediate policy response. The speed that the new government responded to this crisis is best illustrated in Table 1 (above) which provides a chronology of key events in the decision making behind JobBridge. It shows that all the policy design decisions were made within a tight four-month window from the start of the government in March 2011 to the launch of JobBridge on 1 July 2011.

While institutional factors were largely absent in the policy design decisions of JobBridge, there were some institutional constraints that created the necessary environment that allowed under regulated ALMPs. In June 2009, the DSP launched the Work Placement Programme (WPP) that would expand to include 7,500 interns (Department of Social Protection 2011, 2). Of these 2,500 were to be in the private sector with the main employer eligibility criteria being just that the company was a legal entity and was willing to register with FÁS (the state agency tasked with assisting the unemployed).⁶ Under this scheme the state paid the welfare entitlements of the unemployed while they completed their internship, which could last up to one year. Again there was minimal, if any, oversight of these placements to ensure quality training. In parallel to this, the SFA and IBEC launched the Gradlink programme in January 2010, which enabled any company that wished to advertise for a graduate internship to place their advertisement on an online register (IBEC 2009). Providing Jobseekers Allowance to these interns would be legally dubious, as they were by definition not full-time jobseekers. So in January 2010 the Fianna Fáil Minister for Social Protection, Mary Hanafin, publicly confirmed that they would be allowed to keep their welfare entitlements while participating in the scheme (Department of Social Protection 2010). These programmes set the institutional precedent within the DSP for lightly regulated and state funded internship places in the private sector in the lead up to the policy design of JobBridge.

Interests: Fast Paced Policy Design

When the new Fine Gael/Labour government was formed in March 2011, the deputy leader of the Labour Party, Joan Burton, was given the Social Protection portfolio. Developing a national internship scheme was an immediate priority for her, given the extent of the unemployment

⁶ Press release prepared for Minister Mary Coughlan (Minister for Education and Skills), 14 December 2010.

crisis. Also it was in the interests of Labour to act on this crisis quickly because creating a “Bridge the Gap” internship scheme was a commitment in their election Manifesto of February 2011 (Labour 2011, 25). Many Labour manifesto promises had to be compromised as part of the negotiations for the Programme for Government, but at least this commitment could be feasibly delivered upon within the confines of government (Department of an Taoiseach 2011, 7). Importantly, Labour needed to be seen to implement some policy to aid the unemployed, as this is a core value for that party. And the parents of unemployed youth were one external (if not organised) interest that did place pressure on Labour Party representatives to devise a scheme for their unemployed and idle children as soon as possible. Evidence is not seen for this within the official records but Joan Burton repeatedly claimed this as a justification for JobBridge, and also justified its existence on the basis that it gave the children of working-class families the same opportunities for internship experience that middle-class children enjoyed (O’Shea 2016).

The previously viewed trend towards streamlined activation measures within the DSP was bucked with the design of the “Skills Development and Internship Programme” which was part of Ireland’s obligations under the National Recovery Plan mandated by the Troika and announced in November 2010 (Budget 2010, 40). This programme was one part of a host of measures that the Troika hoped would streamline the Irish unemployment services and aid pathways to employment for those on the live register (Budget 2010, 39-40). It was never implemented but much of the policy design work had been completed by the start of the new government in March 2011. This programme was designed to include a €150 per week contribution from employers (€100 of this would top up interns’ welfare payments). There would also be welfare officer supervision and it was to be targeted at the most vulnerable unemployed citizens under the age of 35.⁷ However, reference to Table 1 shows how by April 2011, within only one month of taking office, Minister Joan Burton decided to replace this more complex programme with JobBridge for the following reasons:

“This new scheme [JobBridge] replaces the previous Skills Development and Internship Programme.... By the end of April only 195 companies expressed an interest in participating in the programme. This was a very disappointing return and the Skills Development and Internship Programme was never formally launched.

⁷ Declan Nugent (Executive Officer) to Karen O’Connell (Parliamentary Adviser), *Precursor to JobBridge Report*, 18 June 2015.

Under the old model of the Skills Development and Internship Programme, individuals would receive €100 top up a week paid for by participating organisations. Given the low level of interest expressed by companies....it is considered that the €100 top up is a key barrier preventing many companies from participating...” (Niall Egan, Assistant Secretary DSP, *Email in response to opposition parliamentary questions*, 8 June 2011).

Obviously a more expensive and heavily regulated internship scheme would be unpopular with employers when they had free and less regulated schemes available to them through the WPP or Gradlink. A better option may have been to consider closing down the less regulated models before launching the Skill Development scheme. However, the incentive for the DSP to provide a quick, cheap and large internship programme meant that the relatively detailed labour activation control measures seen in the Skills Development scheme were scrapped in favour of following the low regulatory options provided by the WPP and Gradlink. Importantly, by scrapping the employer contribution the Minister was addressing the interests of business by providing a free scheme and of the government in making a policy decision that would be likely to show immediate results.

Again, as early as April 2011, the Minister informed the Economic Management Council that she had decided to scrap the Skills Development model in favour of the more streamlined WPP:

“Consideration is being given to a new Scheme which could replace the Skills Development and Internship Programme announced in Budget 2011 given the low level of interest expressed in that programme (*this would generate savings for use in other forms of provision*).

It could be a time-limited scheme for a maximum of two years which will operate on a similar basis to the Work Placement Programme.” (DSP, *Confidential note for the Economic Management Council and Government*, 11 April 2011, Italics in original)

This need for cost effective and quickly implementable policy became the main incentive during the decision making process in formulating a national internship programme. The eventual JobBridge scheme would meet the institutional requirements set out by the Troika, (it only mattered that such a scheme be instituted, its final structure was left to the Irish government) and the DSP had previously shown itself to have limited institutional objections to under regulated internships in the private sector.

Interests: Why no Control Measures to Limit Deadweight Losses?

So, the evidence detailed in Table 1 (above) shows that by April 2011 Minister Burton had decided that an internship scheme should be provided on the WPP model, with similarly liberal eligibility criteria for host organisations that only involved being a legal entity and compliance with existing legislation (DSP 2011, 3-4). This decision was made partly on the basis of her party's self-interest and the genuine incentive to act on a crisis. This haste to deliver on this policy commitment was repeatedly shown during the decision-making process. For example, when the DSP received legal advice in April 2011 that employer financial contributions could make an intern a legal employee and thus trigger minimum wage legislation, this bolstered the minister's decision to move to a fully state funded model, similar to the WPP (Murphy 2015, 9). And later on that month, when the DSP received further legal advice that both JobBridge and "internships" as a concept needed to be clarified in Irish law, the decision was made to insert this clarification into the Social Welfare and Pensions Act 2011 (Section 6), which was passed into legislation one day before JobBridge was launched on the 1 July 2011.

As early as the 11 April 2011, when JobBridge as a brand was just beginning to be discussed, DSP officials were advising on the need for, "controls to minimise the risks of deadweight/displacement" (DSP, *Confidential note for the Economic Management Council and Government*, 11 April 2011). And at a later stakeholder meeting a SIPTU trade union representative raised concerns about the lack of screening for internship quality.⁸ The decision makers within the department had the necessary information to create a more restrictive labour activation measure but chose to ignore this, in order to deliver fast results.

Some trade union officials were also of the opinion that Minister Burton was personally extremely invested in the successful and immediate implementation of the scheme.⁹ To this end, Minister Burton was concerned to remove barriers that could reduce host organisation eligibility and thus affect participation rates. For example, the draft outline for JobBridge had some rules that restricted host eligibility criteria:

"4. The host currently has no vacancies in the area of activity in which the internship is offered.

⁸ DSP, *Minutes to the Stakeholder Meeting for JobBridge*, 21 June 2011.

⁹ Author's interview with a trade union official, 19 December 2018.

5. The Internship will not be provided to displace an existing employee.
6. The host organisation has not made any person redundant in the last three months.

Or

If there have been redundancies then the intern cannot replace any redundant posts and the level of redundancies must be less than 5% of workforce.” (DSP, *Draft Outline National Internship Scheme*, 6 May 2011)

However, these rules designed to limit abuses and monitor quality were seen as overly restrictive by the minister:

“Met Minister short while ago to go over doc. She wants the following:

>in host organisation eligibility sections she is of the view that points 4 and 6 are extraordinarily restrictive and will be a major stumbling block. Point 5 should be enough, she says, with an insertion to the effect that the department reserves the right to review placements under the scheme.” (Alice O’Flynn, Assistant Secretary DSP, *Email to Pádraig Ó Conaill Assistant Secretary DSP*, 6 May 2011)

This exchange demonstrates that the need to act quickly in order to create a workable, if potentially flawed, ALMP was given greater preference over ensuring the ability of host organisations to deliver a fair and quality work experience for interns. Also the fact that point 6 (on redundancies) was included shows that civil servants were attempting to limit the potential for substitution but were being overruled by the Minister in the interests of easing host organisation eligibility. Furthermore, as part of this haste to create a workable and large internship scheme, Minister Burton wished to create an application process for these host organisations that was exceptionally easy to use. For instance, on the 8 May 2011 her department instructed FÁS, “... to examine the WPP application process to see can it be streamlined for the National Internship Scheme” (DSP, *Draft Outline National Internship Scheme*, 8 May 2011).

This haste from the DSP in designing the scheme was compounded by the Department of Finance’s unwillingness (or inability) to fund a scheme with effective monitoring. For instance, as can be seen through the chronology provided in Table 1 (above), on the 26 May 2011 Finance rejected the DSP’s application to provide funding for the effective staffing of the

scheme.¹⁰ This decision led to DSP and FÁS officials at the same meeting to change direction and consider the level of resources required for an internship policy, "...with a focus on desk based monitoring and sample checks" (DSP, *Minutes to the Internship Meeting*, 26 May 2011). This decision by Finance was extremely important for the future design of the scheme, the lack of money for bureaucratic oversight and the screening of internship places was the single biggest contributing factor that led to such high deadweight losses. This lack of administrative funding would result in further regulatory proposals that would rely on host organisation self-declaration and desk based monitoring. For example, by the 9 June 2011, the DSP had devised a series of low cost proposals that could help tackle potential governance problems:

- "a) Standard Internship Agreements – between host organisation and intern...
- b) Monthly monitoring reports – to be submitted online...
- c) A final evaluation report must be completed at the end of the internship...
- d) It was also agreed that a toolkit would be developed indicating best practice for host organisations on how to continuously monitor and encourage the professional development of their intern..."(DSP, *Minutes of Meeting to discuss the National Internship Scheme*, 9 June 2011)

While these are all useful proposals, they would work best as part of a policy of monitoring and regulation, not as a replacement for it. Eventually, on the 13 June 2011, Finance would allow three Clerical Officers on six month contracts to be seconded in order to create a National Contact Centre (NCC) for monitoring JobBridge, with their wages to be provided from existing FÁS resources.¹¹ This was blatantly not enough to ensure a relatively uniform quality of work experience for 5,000 interns and to avoid certain well publicised abuses that would help to make the JobBridge scheme so unpopular (Ryan 2016). It is worth re-emphasising that the lack of a screening process for host organisations would be the single biggest contributing factor to such high deadweight figures, effectively any legally constituted company could advertise for a JobBridge internship online, and then immediately commence interviews for state funded labour (Department of Social Protection 2011, 3-4).

There is no evidence that IBEC or other employers' bodies exerted significant influence on the decision making process around JobBridge; contrary to the suspicions of the left-wing

¹⁰ DSP, *Minutes to the Internship Meeting*, 26 May 2011.

¹¹ Letter from Pádraig Ó Conaill (Principal Officer DSP) to Ciaran Sheils (FÁS), 13 June 2011.

groups who campaigned against JobBridge, who viewed it as a gift of free labour by the state to business interests (see for instance: Scambridge 2014; Work Must Pay 2015). The fact that the JobBridge website and application process mimicked the structure of Gradlink was largely to do with the need within the DSP to create a workable scheme quickly, rather than to meet significant pressure from IBEC (IBEC 2009). However, the Irish Congress of Trade Unions (ICTU) were refused a place on the JobBridge steering committee that was announced on the 1 June 2011, even though positions had gone to IBEC, the SFA and even the Gaelic Athletic Association (Indecon 2103, 4).¹² Best practice suggests that there is widespread involvement from the social partners in designing and implementing ALMPs and trade union involvement has led to better outcomes for participants (O’Higgins 2001, 147 & 150). The fact that the interests of business and the voluntary sector predominated on the steering committee meant that there was no internal pressure to revisit decisions in order to tighten the structure of JobBridge or limit eligibility criteria for host organisations. In fact, after the launch of JobBridge, the only major change to the scheme was to simply expand it to a potential 8,500 places in May 2013 (Barry 2013). To put this number into context, the national internship scheme for a country the size of Spain has 15,000 places (Europa 2018).

Ideology and Internship Culture

This leads on to the ideological factors around internship culture that may have impacted the decision making process. For example, Perlin (2012, 125) argues that the broad level acceptance of free (or low paid) internships has grown with the free economy ethos of the internet and that people are now more willing to accept that things which used to be commoditised – such as labour – are now available for nothing. In many cases young people are willing participants, rightly recognising that working for free or for little pay as an intern has become an essential part of a modern curriculum vitae in the professional classes (Perlin 2012, 63). Employment norms have changed and perhaps the reason that IBEC did not need to lobby for unrestricted internships is because they already had so many ideological allies in government, who had embraced an internship ethos in which work is viewed as a moral good in and of itself, not a fair exchange of labour for payment. Evidence of ideology can be difficult to obtain, but it has been shown that there is a revolving door between the Irish civil service and business, with 20 per cent of senior Irish civil servants pursuing business interests after

¹² Author’s interview with trade union official, 19 December 2018.

leaving the public service (Baturu and Arlow 2018, 398-399). These close links between business interests and the senior civil service can be seen in some of the JobBridge decisions. For example, John McKeon was the Assistant Secretary General with responsibility for labour activation and was head hunted from the private sector (Eircom) to join the Department (DSP 2018a). The minutes show him as being the chair of the meeting that agreed the open eligibility and low regulation of host organisations; and the chronology of key events provided in Table 1 shows that there were no new decisions made to restrict the open eligibility criteria during his time in charge of JobBridge.¹³ And the record shows that there was a cavalier disregard for governance issues that seems to verge on an ideological commitment to the low regulation of business interests. For instance, when a SIPTU representative raised concerns about how the scheme would screen for low quality internship places being advertised on the JobBridge website the response from the DSP was, “Participation on the scheme is voluntary therefore jobseekers may not take up such opportunities” (DSP, *Minutes to the Stakeholder Meeting for JobBridge*, 21 June 2011). This meant that potential interns became responsible for policing the quality of places for themselves and it abrogated the state of responsibility for ensuring good governance. The private sector was, in effect, trusted to enter the scheme in good faith and use it under its own discretion.

Finally, at times politicians made comments that betrayed a casual disregard for the legitimacy of youth unemployment and the interests of the unemployed, even at a time of severe economic crisis. For instance, Minister Burton, while defending JobBridge in July 2011 claimed that, “What we are getting at the moment is people who come into the system straight after school as a lifestyle choice. This is not acceptable, everyone should be expected to contribute and work” (Drennan 2011). While true for a minority, there is no evidence that this was a widespread problem. In fact, the evidence shows that in the lead up to the economic crisis Irish youth were working in record numbers (Taft 2013). Also Eamon Gilmore, the then Tánaiste, defended the cuts in social welfare for unemployed youth in the Dáil by stating that, “The place for any young person is not permanently in front of a flat screen TV” (Brennan 2013). Even while ignoring the obvious “chav” element to this discourse (Jones 2012), these comments point to an ideological perspective that views unemployment to be as much a moral failing for the individual as a failure of the economy to provide sufficient numbers of jobs

¹³ DSP, *Minutes of Meeting to discuss the National Internship Scheme*, 9 June 2011.

(Standing 2011, 45). Such views aid in the downgrading of the interests of the unemployed and in the prioritising of the interests of others when making policy decisions.

Conclusion

So, how did institutions, ideology and interests shape the flow of information and incentives that led to the bad policy decisions seen in JobBridge? There were limited institutional influences on decision makers, but the DSP had previously shown itself to be amenable to light regulation within private sector internships and the Troika had mandated the implementation of some sort of internship scheme. It was in the interests of Labour to introduce a scheme (which was a campaign pledge) as quickly as possible; which also coincided with the interests of the concerned parents of unemployed youth. And the private and voluntary sectors had proven extremely supportive of the JobBridge structure. These interests led to a decision making process in which there was no obstacle to allowing an internship scheme with an open door policy for host organisation eligibility. The decision makers had the necessary information to institute quality controls but the dual incentives of needing to develop a workable scheme fast during a critical period and with limited money, meant that any regulatory concerns were side-lined in favour of a streamlined JobBridge internship process. In the end, this incentive to create a workable scheme within a four-month long design period meant that the interests of business took precedence, in order to ensure the cooperation and participation of potential host organisations.

High deadweight losses are indicative of ALMPs that use a one-size-fits-all model; this leads to the most benefit accruing to those unemployed who are best able to help themselves (O'Higgins 2001, 142). JobBridge repeats this pattern, with the high deadweight losses suggesting that most internships went to people who did not really need them. Internships have become a normal rite of passage in many middle class professions; such as the media, law, publishing, advertising and almost all of the "creative" industries. So JobBridge was actually of serious benefit to the middle class families of young adults who wished to pursue careers in these areas (Arlow 2016). The costs of supporting them while doing their unpaid internship was passed from the family to the state, the industries themselves still did not pick up the tab. In fact, despite cases of short-term exploitation, in the long-term the most damage done by JobBridge was not to unemployed youth, who would only have remained on the live register or emigrated, but to the reputation of the Labour party. The abuses within the scheme became

emblematic of Labour's loss of left-wing identity within the coalition government. Party members reported it as a surprisingly serious issue when canvassing, as this unpopular policy was instigated by a Labour party minister and not directly forced upon them by the Troika or Fine Gael.¹⁴

Unlike many of the policies that were instituted before the Great Recession in Ireland, JobBridge should not be categorized as irrational (Nyberg 2011). The decision making process did lead to bad policy design, but the decisions made were not necessarily lacking in rationality or without some benefits. For instance, most participants left expressing satisfaction with the scheme and the majority found work after participating, although usually not with their host organisation (Indecon 2013, 111 & 113). And many welfare officers on the ground reported satisfaction with JobBridge. The fact that it was of no cost to employers meant that a small number of firms were willing to take a chance on early school leavers, former offenders or the long term unemployed; which vastly increased their chances of finding work in the future.¹⁵ Given a similar context in which there was an unemployment crisis combined with near fiscal bankruptcy, policy makers may make the same policy decisions again.

It is unsurprising that when the closure of JobBridge was announced in May 2016 the only interest group calling for the retention of a state funded internship scheme was IBEC (O'Regan 2016). But what is surprising is that the political agents and "political entrepreneurs" that campaigned against JobBridge were successful in labelling it as a "problem" policy within the public imagination (Baumgartner, Jones and Mortensen 2014, 64-65; Leighon and López 2012, 15). But despite this they failed in breaking the "political stasis" surrounding JobBridge by forcing its closure (Baumgartner, Jones and Mortensen 2014, 60). The fact that the interest group most directly affected by JobBridge, unemployed youth, lacked significant power or collective representation meant that there was limited immediate cost to the government in retaining it as a policy until the economy improved and it was no longer necessary to maintain some sort of token youth unemployment scheme. The fact that the scheme was so summarily closed once the economy improved does point to the fact that it was very much "of its time" (Independent 2016). The subsequent JobBridge replacement – the Youth Employment Support Scheme (YESS) which was launched two years after the closing of JobBridge – implicitly acknowledges the poor design decisions previously made with JobBridge. YESS follows many

¹⁴ Author's interview with a trade union official, 19 December 2018.

¹⁵ Author's interview with a DSP Official, 22 October 2018.

of the guidelines for successful ALMPs; such as paying the minimum wage, including an employer contribution, case worker monitoring and targeting at vulnerable citizens under 25 years of age (Department of Social Protection 2018b). This shows that the DSP is capable of designing quality ALMPs for unemployed youth outside the context of a severe economic crisis.

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