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'Double activation': Workfare meets marketisation

Michael McGann
Department of Sociology, Maynooth University, Ireland

Abstract

Since the financial crisis, Ireland's welfare state has been reorientated around a regulatory, 'work-first' activation model. Claimants now face penalty rates for non-compliance with activation requirements that have been significantly extended since 2009. Alongside these formal policy reforms, the organisations delivering Public Employment Services, and the modes by which they are commissioned, have also been reconfigured through a series of New Public Management style governance reforms, including, most notably, the creation of a quasi-market for employment services (JobPath) in 2015. This article addresses the intersection between activation and quasi-marketisation, positioning the latter as a form of 'double activation' that reshapes not only *how* but also *what* policies are enacted at the street level. It unpacks their shared logics and mutual commitment to governing agents at a distance through a behavioural public policy orientation, and reflects on the extent to which marketisation is capable of producing lower-cost but more responsive employment services.

Keywords: Activation, double activation, commodification, JobPath, marketisation, public employment services, quasi-markets, welfare-to-work

Introduction

Activation is again on the political agenda, following the Labour Market Advisory Council's call for existing contracted job-search assistance programmes to be extended to meet a looming 'long-term unemployment challenge' and the immediate need of reintegrating workers displaced as a result of the Covid pandemic (Labour Market Advisory Council, 2020, p. 24). This focus on responding to the challenges of long-term unemployment through labour activation is only a recent cornerstone of welfare policy in Ireland. It reflects a major recalibration of welfare policy and institutions since the financial crisis that is emblematic of what Brodkin (2013b, p. 12) characterises as an unfolding 'global workfare project'. By this she means international convergence upon a model of activation driven by payment cuts, tighter eligibility conditions, and sanctions for non-compliance with mandatory job-searching and other behavioural requirements (cf. Bonoli, 2010).

Until 2009 Ireland's activation model was 'low-intensity'. Training and employment programmes were highly fragmented and siloed from benefits administration, and there was minimal implementation of conditionality by OECD standards (Cousins, 2019; Martin, 2015). However, the combination of a threefold increase in unemployment, collapse in state revenue and policy influence of the troika (the International Monetary Fund, European Commission and European Central Bank) provided a policy window for a 'rapid turn to austerity' (Dukelow & Considine, 2014, p. 56). This unfolded under the guise of the *Pathways to Work* reforms and against the backdrop of a memorandum of understanding that insisted upon activation reform as a bailout condition. Commencing in late 2009, and accelerating from 2010 to 2013, the rate of jobseekers' payments was progressively reduced, eligibility conditions for the One Parent Family Payment were tightened, and penalty rates were legislated for claimants who refused to participate in new activation measures (Cousins, 2019). Boland & Griffin (2018, p. 101) liken the impact of these social security changes to a transformation in 'the entire spirit of welfare', and there is now a growing body of sociological work examining how these policy shifts have been experienced by claimants (for example, see Boland & Griffin, 2018; Finn, this issue; Whelan, 2021). However, a parallel development which has received less attention is the governance reforms to *how* Public Employment Services (PES) are delivered that have unfolded alongside these changes (see Table 1). These include the consolidation of income support and employment supports into a one-stop activation service and, of focus in this article, the commissioning of a new Payment-by-Results employment services market (JobPath). The comparative lack of attention given to these reforms (although see Murphy & Hearne, 2019; Wiggan, 2015b) reflects a wider 'blind spot' in international research on activation, which tends to treat operational reforms aimed at enhancing service efficiency in isolation from substantive policy shifts (Bredgaard & Larsen, 2007). For instance, a report by the Economic and Social Research Institute demarcates between 'changes to *how* benefit and employment services are delivered' versus '*what* types of employment services are delivered' (Kelly et al., 2019, p. 1). However, this conceals how operational governance reforms reshape not only how (and by whom) services are delivered but also *what* services are delivered.

Those who study the street-level delivery of activation position service providers and case managers as 'de facto policymakers' (Brodkin, 2013a, p. 23; van Berkel, 2013, p. 88) who continue the process of policymaking as services and benefits are delivered. As students of street-level bureaucracy argue, policy rarely arrives 'fully formed' but takes shape through how it is translated and enacted by a plurality of actors at the ground level (Newman, 2007, p. 365). Rules and regulations are rarely as tight as policy designers intend, leaving workers to navigate between often ambiguous and conflicting policy directions and the complexities of specific cases. As Zacka (2017, p. 247) argues, policy delivery is therefore 'suffused by moments of policymaking', the shape of which will depend on the street-level contexts (organisational environments, work cultures, professional identities of frontline staff) surrounding implementation.

Table 1: Activation policy and PES governance reforms 2009–16

Year	*Formal policy changes*	*Reforms of operational services*
2009	Jobseeker's Allowance (JA) reduced by 51 per cent for claimants aged 18–19.	LES come under National Employment Action Plan.
2010	JA reduced for claimants aged 18–21 (by 51 per cent) and 22–24 years (by 30 per cent). Penalty rates introduced for claimants.	
2011	One Parent Family Payment (OFP) eligibility restricted to lone parents with children under 18.	

Table 1: Activation policy and PES governance reforms 2009–16 (Contd.)

Year	*Formal policy changes*	*Reforms of operational services*
2012	*Pathways to Work 2012–16* launched, introducing mutual commitments for claimants to participate in activation and sign personal progression plans.	FÁS, the National Training and Employment Authority, dissolved. Premises and employment support staff transferred to DSP, along with community welfare offices from the Health Service Executive.
		Launch of Intreo, one-stop activation service.
2013	OFP eligibility restricted to lone parents with children under 7 on a phased basis.	Client job placement and progression targets introduced for LES.
		DSP commences tendering process for a Payment-by-Results employment service, JobPath.
2014	Introduction of Jobseeker's Transition Payment for lone parents with children aged 7 to 14.	Seetec and Turas Nua awarded initial four-year JobPath contracts.
2015		JobPath launches.
2016	*Pathways to Work 2016–20* launched.	LES client outcome targets restricted to job placements only.

Source: Author, adapted from Boland & Griffin (2015), Cousins (2019), Dukelow & Considine (2014), Indecon (2018), Wiggan (2015b).

Taking this significance of street-level delivery as our starting point, this article conceptualises the administrative turn towards marketisation as a form of 'double activation' (cf. Considine et al., 2015; van Berkel, 2013). This perspective views the turn towards a more regulatory welfare state as a function not only of the legislative project of conditioning income support on work-related conditionality but also of strategies of public management reform aimed at disciplining the agency of service providers. I argue that it is no mere coincidence that, as countries have embraced 'workfare', they have also looked to organise its delivery via social services markets. The policy turn, towards workfare, and the administrative turn, towards marketisation, share conceptual symmetries. Both constitute projects of commodifying claimants' labour which are animated by a shared theory of agency that seeks to discipline the behaviours of recalcitrant welfare and administrative subjects. In what follows, I review how Ireland's PES have been reorganised before introducing the concept of 'double activation'. I then unpack the shared commitments of workfare and marketisation to commodifying jobseekers via strategies of behavioural governance before reflecting on how marketisation reshapes what employment services are delivered to citizens at the street level.

The administrative turn towards marketisation

Ireland's PES are delivered by a mixed economy of public, community and now private sector providers. The incorporation of not-for-profit organisations within Ireland's PES supply chain dates to the mid 1990s, when Local Employment Services (LES) were established in parallel to the National Training and Employment Authority (FÁS) to provide intensive guidance to those with greater barriers, who participated voluntarily (Indecon, 2018). However, in 2009 the LES, which are operated by twenty-two local development and community organisations, were brought under the National Employment Action Plan, enabling claimants to be referred for mandatory activation. Since then, LES have been contracted annually by the Department of Social Protection (DSP) on a 'costs-met' basis (Indecon, 2018, p. iii). In recent years they have also been subject to more intensive performance monitoring and measurement as part of a widening emphasis across government on performance management and on holding public services accountable for outcomes and costs (MacCarthaigh, 2017).

As MacCarthaigh (2017, p. 149) observes, 'issues of political and administrative reform' were an important part of the 2011 election, with all parties detailing major public sector reform initiatives as part of their manifestos. Upon coming to office, the newly elected Fine Gael/Labour government set out a programme of government that would make Ireland's public sector 'more transparent, accountable and efficient' by 'pin[ning] down accountability for results at every level of the public service' (Government of Ireland, 2011, p. 28). It established the Department of Public Expenditure and Reform (DPER) to spearhead a programme of major organisational reform and rationalisation, focused on strengthening performance management and leveraging outsourcing to reduce costs. From 2013 all departments were required to periodically publish performance statements. Although community rather than public organisations, LES had performance targets written into their annual contracts. Initially, LES were targeted with placing or progressing at least 50 per cent of their clients into work or training. However, since 2016, their performance has been measured solely in job placements (Indecon, 2018).

One of the most significant post-2011 public sector reform initiatives was the creation of Intreo (Köppe & MacCarthaigh, 2019). This unfolded against the backdrop of a FÁS governance and corporate travel expenses scandal, which culminated in the resignation of its director (Köppe & MacCarthaigh, 2019). FÁS was subsequently dissolved, and its employment services functions consolidated with DSP's benefits administration services to create a new one-stop service. The Intreo service rolled out from late 2012, creating sixty new PES offices. However, the surge in claimant numbers meant that each caseworker was still responsible for approximately 1,000 clients – an exceptionally high ratio by international standards (Department of Employment Affairs and Social Protection (DEASP), 2019, p. 8). Ireland's public sector lacked the capacity to provide the level of services needed, especially given a public sector hiring freeze. DSP therefore decided to contract specialist employment services for the long-term unemployed that would be funded through Payment-by-Results, reserving Intreo for claimants registered for less than twelve months. While the decision to competitively tender JobPath was partly taken due to a lack of capacity within existing public services, it also aligned with the government's 'post-2011 reorganisation agenda' (Köppe & MacCarthaigh, 2019, p. 147) of harnessing external services to achieve 'a more cost effective and flexible approach' (DPER, 2011, p. 14). The foundations of this commitment to contracting-out were laid by an advisory group appointed under the previous government, which had called for outsourcing to be actively pursued in each area of public services in order to achieve 'significant efficiencies and savings on the delivery of schemes' (McCarthy et al., 2009, p. 21).

In December 2013 organisations with an annual turnover of €20 million were invited to bid for JobPath contracts (Wiggan, 2015b). Bidders were given indicative volumes of referrals across six client groups (varying by risk of long-term unemployment) and asked to submit price bids for registration fees and outcome/sustainment payments (DSP, 2013). Four-year contracts to deliver JobPath in two divisions were subsequently awarded to two private agencies: Seetec, a for-profit agency, and Turas Nua, which was a partnership between the UK-based Working Links and FRS Recruitment (an Irish cooperative). Both Seetec and Working Links also delivered the UK Work Programme, a programme 'bearing a striking resemblance to JobPath' (Lowe, 2015, p. 117).

JobPath commenced in July 2015, constituting a new PES *quasi-market*. 'Quasi-markets' differ from conventional markets in several ways (Le Grand & Bartlett, 1993a). Two key differences are that purchasing power is typically concentrated in a single 'monopsony' purchaser that can fix demand, while service users rarely purchase services directly but rely on the government acting as a proxy purchaser. In the case of JobPath, claimants are referred on the basis of random sampling and participation is mandatory (DEASP, 2019, p. 8). While PES quasi-markets frequently share these features, they can nevertheless take varied forms depending on how policymakers structure the intersection between performance-based payment models, competition, choice and regulation (Wiggan, 2015a). In particular, the balance of power between service users, the state and market providers can be adjusted through varying transactional elements such as the length of contracts; the degree of service specification and monitoring by government; the performance incentives in payment models; and whether providers are procured via competitive tendering, closed contracting or user vouchers (Greer et al., 2017). Purchasing services via vouchers, for example, gives service users greater influence over the quality of services compared with centrally contracted quasi-markets in which government simply directs claimants 'to the provision it has bought' (Wiggan, 2015a, p. 115). Conversely, in quasi-markets that are contracted on a 'black box' basis – where providers are held financially accountable for outcomes rather than procedurally accountable for service content – providers exercise greater control over what services are produced than in more regulated markets (Wiggan, 2015b, 2015a).

JobPath embedded market governance in two ways: through introducing competitive tendering and by commissioning delivery via outcomes-based contracting – a specific form of marketisation distinguished by the contingency of providers' payments on achieving results. In the case of JobPath, payments for sustaining clients from thirteen to fifty-two weeks in employment account for more than 90 per cent of the €3,718 total *possible* payments per client (DEASP, 2019, p. 17). Although, due to the low percentage of participants who actually sustain employment for fifty-two weeks, the average payment per client is only a fraction of this (€780), of which €311 is comprised of registration payments. Nevertheless, this payment model creates a financial imperative for JobPath providers to achieve outcomes in a way that LES are insulated from. However, one important difference to related PES quasi-markets is that JobPath is not internally competitive. Unlike Australia, where there are several providers per region, Seetec and Turas Nua each enjoy 'monopoly-like delivery responsibility for half of the country' (Murphy & Hearne, 2019, p. 448). If services are of poor quality, 'there is absolutely no alternative' (Lowe, 2015, p. 120) to which DSP can turn. The reasons for this are several. One concern was that including more than one provider per region would make the contracts less attractive to potential bidders, especially in regions outside Dublin characterised by low-density, depressed labour markets. Including only one contractor per region also made the contract less demanding to manage, and DSP had little experience in managing Payment-by-Results programmes (Lowe, 2015). Given the role that a competitive market with 'a sufficiently large number of service providers' (Struyven & Steurs, 2005, p. 214) is theorised to play in driving innovation in PES quasi-markets, it can be asked whether a market governance approach was best suited to the dynamics of Ireland's geography and labour market.

Nevertheless, the contract included one innovative mechanism that DSP could use to sanction providers for poor quality. Under the contract terms, 15 per cent of providers' payments could be reclaimed for poor ratings in user-satisfaction surveys. This clause gave DSP a mechanism to hold providers financially accountable for not only 'hard' employment outcomes but also softer client-satisfaction and service-quality outcomes, potentially mitigating any disposition providers may have had towards using sanctions to 'hassle' clients into work, or towards 'parking' clients with greater employment needs (since these practices may adversely affect user ratings). A further check on quality was JobPath's 'grey-box' design (Lowe, 2015, p. 122), in that minimum service standards that all clients could expect (e.g. concerning personal progression plans and frequency of meetings) were specified and enforceable by DSP through caseload audits and spot checks of offices. Hence, Wiggan (2015b) observes that JobPath represents 'a more cautious embrace of market rationality' than the UK's 'black-box' programme.

Currently, PES delivery remains hybrid in form although there are signs that marketisation is gaining an increasing foothold. The €57.4 million paid to JobPath providers in 2017 constituted almost 40 per cent of total activation expenditure, surpassing expenditure on Intreo services and representing more than three times the cost of LES (Lavelle & Callaghan, 2018). JobPath and LES contracts were due to expire in December 2020, and a review of contracted services was underway when Covid struck in March 2020. This review was expected to recommend an expansion of marketisation, with indications that not only future JobPath but also LES contracts would be competitively procured. An earlier review of LES had recommended giving active consideration to a 'competitive procurement model for future provision of services' (Indecon, 2018, p. xiii). Likewise, an official evaluation, drawing on outcome data for those referred in Q1 2016, concluded JobPath was 'effective in supporting long-term unemployed people secure work' as measured by their rate of employment and earnings, with the former estimated to be 20 to 26 per cent higher than comparatively matched cohorts who did not participate (DEASP, 2019, p. x). However, in raw terms, and drawing on outcome data for all referrals between July 2015 and December 2016, analysis by the Comptroller and Auditor General (2018, p. 143) found that only 25 per cent of participants commenced some form of employment, and just 7 per cent sustained employment for fifty-two weeks. Notably, these results occurred during a period of recovery, when participants were job-searching 'in favourable conditions' (DEASP, 2019, p. 59). Early JobPath cohorts also included high proportions of clients with few barriers other than a lack of work – the participants with which the international evaluation literature suggests job-search programmes work best – whereas their efficacy for those with complex employment challenges is more uncertain (Martin, 2015).

Double activation

The pattern of PES marketisation following upon the coat-tails of a workfarist activation turn is well trodden internationally (Bredgaard & Larsen, 2007; Greer et al., 2017). Such is the historical symbiosis between workfare and marketisation that Brodkin (2013b, p. 13) characterises the latter 'movement of governance and management reform' as the second track of the global workfare project, observing that it may be eclipsing policy differences across countries in terms of 'changing the practices of workfare and activation'. For Bredgaard & Larsen (2007), quasi-markets constitute governance instruments for circumventing corporatist political structures and other barriers to implementing contested workfare policies, such as frontline workers' professional social work ethic. As discussed in further detail later, they do so by sidelining (unionised) public sector workers from policy implementation in favour of private actors, who are perceived as more motivated by economic incentives and less averse to using sanctions 'and other motivational initiatives' (Bredgaard & Larsen, 2007, p. 294). Soss et al. (2013, p. 139) likewise view workfare and marketisation reforms 'as two sides of a single political project', one that various scholars have dubbed 'double activation' (Considine et al., 2015, p. 29). This expression captures how the project of activation 'now extends beyond the unemployed individuals who are policy's official subjects' (Brodkin, 2013b, p. 11) to 'the organisations and frontline staff involved in policy implementation' (van Berkel, 2013, p. 100). Below, I elaborate on the conceptual symmetries linking these dynamics, beginning with how each involves a project of commodification.

Commodification

Workfare is often criticised as a strategy for the 'administrative re-commodification' (Holden, 2003, p. 314) of labour that is less concerned with 'creating jobs for people who don't have them' than with 'creating workers for jobs that nobody wants' (Peck, 2001, p. 6). This argument draws on Esping-Andersen's typology of welfare states, which differentiates between regimes according to the extent to which they permit citizens to subsist independently of the market. From this perspective, the post-war era was regarded as a period of de-commodification insofar as enhanced access to benefits and investment in public services provided a substitute for wages and services that would otherwise have to be purchased. However, workfare policies reposition the welfare state as 'a commodifying agent' (Holden, 2003, p. 307) by deploying its institutional levers to press claimants into joining what critical political economists, following Marx, term 'the reserve army of labour' (Greer, 2016, p. 163). This is the surplus population of non-employed workers that serves as a readily available supply of labour for employers in expanding areas of the economy. The size and material conditions of this reserve army structure the level of labour market discipline and the degree to which employers can extract profit from acquiring labour. Workfare policies reinforce this mechanism by negating 'welfare as a viable alternative' (Soss et al., 2011, p. 46), thereby intensifying labour market competition to put downward pressure on wages and conditions.

PES quasi-markets further accentuate the commodification of claimants by turning non-employed labour into a commodity that can be acquired by third parties and 'sold on' for profit. When employment services are tendered, jobseekers are effectively organised into purchasing lots and the 'options' to sell them to employers are bid on by prospective providers. Successful bidders win the right to try and enhance jobseekers' employability, and sell them for profit in the very real sense of earning sustainment payments that are higher than the investments they have made in 'improving' those clients. By paying agencies lucrative payments for placing non-employed labour in work, quasi-markets transform surplus labour 'into matter with exchange value' (Adkins, 2017, p. 300). Marketisation enables third parties to extract surplus value from jobseekers' labour beyond the profit derived by employers, and to maximise profits by finding increasingly efficient means of buying and selling the unemployed. On average, JobPath providers earn €613 when clients sustain thirteen weeks of employment, a further €737 at twenty-six weeks, rising to an additional €1,165 if clients sustain employment for fifty-two weeks (DEASP, 2019). For providers, the value of the JobPath contracts consists largely in their ability to convert referrals into sustainment payments at low cost.

Quasi-markets thus facilitate the *hyper-commodification* of claimants. Workfare policies press claimants into selling their labour through conduct conditions that penalise non-employment, while the creation of quasi-markets extends how claimants' labour becomes 'an object of calculation and exchange' (Adkins, 2017, p. 300) by configuring a space in which intermediaries can acquire and trade claimants' labour 'in a manner that any other commodity might be sold in "free" markets' (Grover, 2009, p. 501). Quasi-markets thus do more than just streamline the administrative re-commodification of claimants. They transform the 'commodity status' of claimants' labour by configuring an intermediary market that multiplies how surplus labour is acquired for profit. This third-party profiting from the exchange of labour has, of course, been a central aspect of the labour hire industry since the early 1900s. But whereas labour hire workers engage voluntarily with recruitment agencies, claimants have little choice but to cooperate in their state-sponsored hyper-commodification (cf. Grover, 2009, pp. 500–1).

Governing at a distance

A second parallel between the paradigms of workfare and marketisation concerns their underlying theories of agency and motivation. Both diagnose an agency problem in relation to welfare (claimants) and administrative (service workers) subjects that locates the source of unemployment in a misalignment between environmental incentives and agents' self-interest. They also each view agency 'as a site of disciplinary control' that can be governed through economic incentives that appeal to agents' 'purposive rationality' (Morris, 2020, p. 276). In particular, the turn towards 'activating' claimants via job-search conditionality is closely associated with 'underclass' theories that position claimants as pathologically work-shy. The arguments advanced by Murray (1984) and Mead (1986) concerning the causes of welfare dependence have been influential in this regard.

In *Losing Ground,* Murray positioned claimants as calculating 'freeloaders' who wilfully choose welfare over work given the value of benefits compared with the low wages available in peripheral employment. Murray saw welfare as a choice made by self-seeking claimants acting in response 'to the reality of the world around them' (1984, p. 162). The solution, as he saw it, was to make work pay, by reducing benefits and enforcing work obligations. In *Beyond Entitlement*, Mead advanced a more subtle view of claimants' agency, arguing that they genuinely aspired to work but were demoralised by the 'belief that their fate turns on forces outside of themselves' (1986, p. 146). Rather than a utility-maximising choice, Mead saw benefit dependence as a 'moral hazard' that induced loss of motivation. Nevertheless, Mead shared Murray's scepticism that claimants could be trusted 'to work reliably unless programmes require them to do so' (1986, p. 13). Put differently, central to the justification for conduct conditionality is the assertion of claimants' 'bad agency' (Wright, 2012, p. 316). The 'problem' to be addressed is the permissiveness of passive entitlements that foster dependence. What I want to suggest is that a related problematisation of the agency of service workers underpins the New Public Management (NPM) reform agenda within which PES marketisation is embedded.

The introduction of quasi-markets reflects a broader governance shift in public administration that has been gaining traction since the early 1990s towards NPM and the 'arm's length' (Bredgaard & Larsen, 2007, p. 291) regulation of public service workers via contractualism, price competition and other performance management technologies.

This public management orientation derives from a view of agency drawn from public choice economics that assumes all people, regardless of which sector they work in, are instrumentally motivated to maximise their own utility. Accordingly, people's behaviours must be interpreted as a function of the incentive structures in their environment and they must be governed as 'knaves' motivated by little more 'than private interest' (Le Grand, 1997, p. 149). This distrust of public sector workers as knavishly self-interested jarred with classical Weberian and Wilsonian models of public administration, which celebrated public servants as altruistic knights 'driven by a form of public service motivation' (Le Grand, 2010, p. 57). But public choice theory recast them as motivated by little more than the desire to increase their salaries, power and reputation, giving rise to a view of public sector organisations as being inimical to innovation and vulnerable to a series of principal–agent problems.

Principal–agent problems arise when the interests of shareholders conflict with those hired to run enterprises upon their behalf. In listed companies, principals' interests lie in maximising profitability to ensure higher dividends whereas managers seek to increase their wages and reduce their work intensity, undermining profitability. According to public choice economists, such agency dilemmas are especially acute in public sector organisations for several reasons. These include the information asymmetries that exist in large bureaucracies, the diffuse nature of the principal's interests in the context of public services (where it is difficult to determine 'who' the principal is) and the public's weak control over administrators. Importantly, public choice theory provided a framework for explaining policy failures as the fault of public service workers. If reforms failed, it was because they 'did not serve the self-interest of the people delivering that policy' (Le Grand, 2010, p. 60).

To reduce this agency dilemma, proponents of NPM argued for stronger performance management within public administration: either through introducing performance measurement and performance-related pay within bureaucracies or, quintessentially, by subjecting public services to 'private-sector competition' (Struyven & Steurs, 2005, p. 212). The theory is that by contractualising the relationship between the principal (commissioner) and the agent (providers), performance incentives such as results-based payment models, provider competition for contracts and clients, and penalties for breaching contractual clauses can align the private interests of street-level organisations and their staff with public policy goals.

Payment-by-Results funding models are an archetypal example. Although applied at an organisational level, it is assumed that agencies in quasi-markets will 'in one way or another send signals to workers about the performance expected from them' (van Berkel & Knies, 2016, p. 63). This should ensure that frontline workers focus on achieving programme outcomes and delivering value for the purchaser. Likewise, performance-based contracting should reduce the overall cost of programme delivery through price competition and financially incentivising providers 'to adopt program improvements that work' (Soss et al., 2011, p. 210). In this way, quasi-markets embody the alleged invisible hand of the market 'whereby, simply through pursuing their own advantage, suppliers are led to contribute to socially desirable ends' (Le Grand, 1997, p. 159). Thus, much like workfare presumes a model of welfare subjects that emphasises claimants' perceived 'motivational deficiencies' (Wright, 2012, p. 321), the marketisation of PES presumes a model of the administrative subject that assumes service workers 'cannot be trusted to do their job properly without outside intervention' (Le Grand, 2010, p. 60). Both 'are cut from the same neoliberal cloth' (Soss et al., 2013, p. 138) of governing deviant agents through disciplining their calculative self-interest: positioning claimants as 'units of (paid) labour which need to be financially incentivised to sell their labour and service providers as market agents which need to be financially incentivised to place people in paid work' (Shutes & Taylor, 2014, p. 217).

The extent to which public administration in Ireland has embraced these NPM ideas is contested (MacCarthaigh & Hardiman, 2020), although we can see underlying public choice theory ideas about public sector inefficiency, weak accountability and the need for subjecting public services delivery to stronger performance incentives being embraced under the post-2011 reform agenda. As MacCarthaigh (2017, p. 161) highlights, this unprecedented reform agenda was legitimated in terms of 'a perceived problem of an underperforming public service'. Murphy et al. (2020, p. 17) highlight how post-crisis reform narratives packaged 'normative ideas of transparency, efficiency, and accountability' with cognitive ideas of value-for-money to drive a policy agenda of outsourcing and marketisation.

The FÁS expenses scandal had weakened faith in public service motivation. In outlining its agenda for public sector reform, the 2011 programme for government framed the problem as ensuring that public services serve 'the common good, not sectional interests', and that concrete mechanisms were needed 'to deal with persistent underperformance' (Government of Ireland, 2011, p. 28). In a pointed reference to the FÁS expenses scandal, it promised 'no more "golden handshakes" for public servants that have failed to deliver' and 'a reformed incentive system' for all public sector workers to encourage 'audited improvements in service delivery and cost-effectiveness' (Government of Ireland, 2011, p. 29). It went on to explicitly reference ending fixed budgets for public service providers like 'FÁS', committing to 'open up the delivery of public services to a range of providers' and to fund services that 'are tailored to better suit [citizens'] needs and less expensive for the taxpayer' (Government of Ireland, 2011, pp. 29–30). In so doing, it tied the perceived underperformance of public services to a deficit of competition and accountability in how public services were funded. This problem framing has been continued through various public service reform plans, with DPER outlining the need to rebuild trust so that citizens can see that public services are 'working efficiently and fairly' (DPER, 2014, p. 6). In its 2014 *Public Sector Reform Plan*, DPER specifically argued for 'more commissioning than in the past' and 'a new approach based on releasing funds in return for delivering specific outcomes' rather than traditional block grants for service providers. Pointedly, the plan cited JobPath's Payment-by-Results model of 'incentivising providers to find work for the maximum number of long-term unemployed people' (DPER, 2014, p. 15) as a blueprint for future commissioning.

Impacts of marketisation

As we have seen, DSP's decision to outsource the delivery of employment services for the longer-term unemployed was driven partly by a lack of existing PES capacity. However, the choice to commission this additional capacity via competitive tendering and Payment-by-Results also aligned with a broader public service reform agenda that was normatively orientated towards harnessing performance-based contracting to 'obtain the best value for money' (DPER, 2014, p. 15) while achieving services that are more responsive to citizens' needs. But can these dual goals of cheaper but more responsive services be simultaneously achieved through quasi-markets? To conclude, I consider some of the tensions inherent to this strategy of 'putting a public service at greater distance from the control of the state in order to increase its effectiveness' (Considine et al., 2015, p. 163). These include the transaction costs associated with managing PES quasi-markets as well as a more fundamental concern about the potential for marketisation to give rise to more regulatory and less flexible employment services rather than the highly individualised services depicted by proponents of quasi-marketisation.

The theoretical framework of quasi-markets assumes that competition for clients and contracts motivates providers to innovate and to deliver more responsive services. This is under the presumption that providers in a competitive market will be incentivised to perform, and personalisation is important to 'making activation processes successful' (van Berkel & van Der Aa, 2005, p. 338). This requirement of *a competitive market* is critical to quasi-markets' theorised potential to produce more innovative and efficient employment services. Maintaining this market competition, however, depends on quasi-markets being continuously retendered so that they avoid becoming consolidated in the hands of a few 'insider firms' (Bennett, 2017, p. 144). The more frequent and rigourous these tendering processes, the higher the transaction costs (writing tenders, preparing and assessing bids, negotiating contracts), indicating an unavoidable tension 'between the extent of the transaction costs and the intensity of competition' (Struyven & Steurs, 2005, p. 218).

However, beyond this problem of transaction costs, the assumption that competition will motivate providers to produce more flexible and responsive employment services is not without its problems. Experience from other countries that have experimented with quasi-markets, most notably Australia and the UK, suggests that competitive tendering and outcomes-based contracting can lead to lower-quality and more standardised services as providers respond to the price signals in the contract and payment models by shedding their costs. One of the main ways that providers compete, particularly during tendering, is on price. Such price competition is welcomed by purchasers, who are keen to reduce costs. When tendering for Work Programme contracts, bidders frequently discounted job sustainment payments (Bennett, 2017) and potential providers were likewise encouraged to price bid during JobPath tendering. This need to compete on price, combined with the commercial imperative for agencies to generate profits from payments, provides an incentive for agencies to adopt 'lean staffing … and inexpensive programme content' (Fuertes & Lindsay, 2016, p. 536). By transferring the financial risk of programme delivery onto providers, and increasing the level of risk associated with long-term support measures, outcomes-based funding models reinforce these incentives for providers to standardise their case management practices to reduce costs while enabling them to be implemented at larger scale by lower-paid staff (Considine et al., 2020). Within this organisational context, the value of professional qualifications can be quickly diminished by client-classification instruments and other structured assessment tools designed to standardise decision-making and to replace 'part of the skill set that a case manager might otherwise need' (Considine et al., 2011, p. 821). Here, Greer et al. (2017, p. 108) point to the danger of marketisation producing a 'disorganisation of employment relations' as responsibility for policy implementation is transferred away from public and community sector organisations with collectivised workforces towards lower-cost commercial providers with weak collective bargaining arrangements. Indeed, this was one of the main concerns raised by unions regarding the commissioning of JobPath, and the two main public services unions took DSP to arbitration on the grounds that the programme should have been delivered either by the new Intreo service or through the existing LES (Rogers, 2014).

Data on whether JobPath has undermined the collective solidarity and qualification levels of frontline PES workers are not yet available. However, experience from earlier adopters of marketisation, including Australia, Denmark, the Netherlands and the UK, lends credence to this concern (Considine et al., 2015; Greer et al., 2017). In a study of the impacts of quasi-marketisation on Australian frontline PES workers, Considine et al. (2015, pp. 61–62) found that rates of union membership declined from 44.2 per cent in 1998 to 6.2 per cent in 2012, while the proportion of frontline workers with a university degree also dropped markedly from 39.2 to 19.7 per cent. Greer et al. (2017, p. 9) link such processes of deskilling and de-collectivisation to 'the intensification of management control' over labour autonomy within PES quasi-markets. Community and public sector organisations employing staff with formal social work or guidance counselling qualifications fail to win contracts and 'drop out of the market' to be replaced by commercial providers who favour '"results-oriented" staff' from backgrounds such as retail, sales, telemarketing or human resources (Greer et al., 2017, p. 110). As van Berkel argues, these changes in workers' occupational backgrounds 'might not be without consequences for welfare-to-work practices' (2017, p. 23). Studies from both liberal and Nordic welfare states indicate that less experienced caseworkers and those without professional social work qualifications are more likely to blame unemployment on jobseekers' lack of motivation and to believe that clients 'need to be forced into the workforce' (Kallio et al., 2013; McDonald & Marston, 2008, p. 320) than caseworkers with greater experience or social work qualifications, who attribute unemployment to more structural factors.

Beyond eroding rates of union membership and qualification levels, quasi-marketisation can further weaken the labour autonomy of frontline workers by tightening management control over their work through intensive performance measurement. While intended to increase the transparency and accountability of frontline work, systems of performance measurement can also redirect the focus of caseworkers' decision-making towards meeting organisational needs rather than responding to clients' needs. When performance is only counted in hard outcomes like job placements, an emphasis on rapid job placement (regardless of quality) may eclipse any disposition towards addressing clients' personal issues or supporting them to build skills that may lead to more durable transitions. Interventions that would bring people closer to employment such as referrals to housing or counselling services may become neglected if the immediate performance pay-off of those interventions is uncertain. The upshot is policy practices with 'more perceptibly hard edges' (Brodkin, 2013b, p. 6), with several studies suggesting that tighter performance management is linked to increased sanctioning of clients. For example, in a study of welfare-to-work caseworkers in Florida, Soss et al. (2013, p. 136) found that, lacking the resources and training to respond to clients' real-life needs, caseworkers often turned frustratedly 'to threats in the hope that compliance will ensue, [and] performance numbers will improve'.

These street-level adaptations bring into view one of the most well-documented concerns regarding PES quasi-markets: the use of frontline 'selection practices' (van Berkel & Knies, 2016, p. 64) to game performance metrics and payment models. Commonly referred to as 'creaming' and 'parking', this is where providers and frontline staff prioritise clients they perceive as nearest to employment because they are seen as more lucrative and easier for realising results. Conversely, clients perceived as more distant from employment are given only the minimum support necessary to secure registration payments. While public sector organisations are not immune from these adaptations to performance demands, especially when faced with heavy caseloads, the profit-seeking motive of private agencies, coupled with performance-based payment models, makes this problem a 'perennial design challenge' (Carter & Whitworth, 2015, p.

280) for quasi-markets in particular. Reducing the risks of providers 'creaming' and 'parking' requires close government monitoring and regulation through detailed contractual specification of processes, developing auditing systems to verify outcomes, adjusting payment models and enforcing penalty clauses. As with ensuring the competitive dynamics of quasi-markets through retendering, this market regulation generates high transaction costs. While such monitoring costs are a feature of any market, they are magnified 'where information is imperfect and activity flows are uncertain' (Le Grand & Bartlett, 1993b, p. 211) and where the transactions involved are 'complex and multi-dimensional' (Bartlett, 1991, p. 53). These conditions of bounded rationality and information asymmetry are inherent to PES markets, where the effects of interventions on client outcomes are not well understood, service quality is difficult to observe and the assessment of providers' 'true additionality is confounded by external factors such as the business cycle' (Hill, 2013, p. 198).

Conclusion

Over the past decade, welfare reform in Ireland has exhibited a growing orientation towards a more regulatory activation model, not only at the level of enacted socal security reforms but also at the level of policy practices on the ground. This is reflected in an elevenfold increase in the number of penalty rates applied between 2012 and 2017 despite declining claimant numbers (Cousins, 2019), although it is important not to overstate this disciplinary dynamic given that the overall level of sanctioning remains 'very modest' (Cousins, 2019, p. 39) compared with other liberal welfare regimes. This policy turn towards workfare has been accompanied by an administrative turn towards marketisation in what we have conceptualised as a project of 'double activation'. Each involves the commodification of claimants' labour through deploying policy instruments designed to discipline the calculative self-interest of welfare and administrative subjects. While marketisation reforms have been promoted as mechanisms for increasing the efficiency and responsiveness of PES, we have seen that quasi-markets also have inbuilt tendencies towards service standardisation due to the commerical imperatives for providers to cut costs. Of particular concern is the potential for policy implementation to be transferred towards agencies employing deskilled and non-unionised workforces and subjecting them to tighter management control. This reconfiguration of frontline workers' labour autonomy and professional identities can carry substantive policy effects by disciplining caseworkers to focus on meeting short-term performance targets rather than flexibly responding to citizens' personal needs. Positioning PES marketisation as a form of 'double activation' in this way underscores that 'the practical is political' (Brodkin, 2013a, p. 32). Quasi-marketisation may be introduced under the pretext of administrative efficiency but it is also 'a form of policy politics' (Brodkin, 2011, p. i273) that brings about changes of policy substance through administrative means.

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