



Public works: how can PES contribute to increasing their value as an activation tool?

Small scale study 2013



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1. Introduction and policy background

1.1 Labour market context and EU2020 Strategy

The latest available figures from October 2013 show that the unemployment rate across the European Union (EU) stands at an all-time high of 10.9%¹. This equates to more than 26 million people², more than 48% of whom are long-term unemployed and have been out of work for at least a year³. These figures reflect the social cost of the economic crisis, which continues unabated, and are in sharp contrast to EU objectives for full employment and social cohesion (as outlined in Article 3 of the Treaty) and the headline target of the Europe 2020 growth strategy for 75% of 20-64 year olds to be in employment by 2020.

In response to this situation, the political agenda has a two-pronged focus, firstly on job creation and secondly on ensuring adequate support for those who are out of work, not only to facilitate their entry/return to the labour market but also to combat the rising tide of persistent long-term unemployment and the consequent risks of social exclusion and poverty. Indeed, the European Commission's 2012 Annual Growth Survey (AGS)⁴ identified *"tackling unemployment and the social consequences of the crisis"* as one of five top priorities for the coming semester, a priority that was maintained in the 2013 AGS⁵. In this context, and the wider aims of the Europe 2020 strategy, Member States have been called upon to make social protection systems more effective and to ensure better links with activation measures and more personalised assistance, especially for the most vulnerable groups. This latter point, which was also made in the 2012 Employment Package⁶ where it is recommended that *"activation requirements should be part of a mutual responsibilities approach that maintains incentives for work whilst ensuring income, providing personalised job-search assistance and guarding against the risk of poverty."*, is particularly relevant for public works programmes, which generally target those hardest to place and combine activation with some form of income support but may be limited in terms of the individualised support that they offer.

In the context of European policy, public employment services (PES) are being given an increasingly important role as the co-ordinators of public support for people making all kinds of transitions in the labour market. As a group, European PES have recognised that a strategic reorientation of their activities is necessary to fulfil this role effectively and have put forward a vision of what needs to be done, which includes nine key principles to guide the long-term strategy⁷. Of these, four have immediate relevance to public works programmes: **customisation** (the need to provide services tailored to individual needs), **inclusiveness** (activating the most vulnerable groups), **empowerment** (providing services that allow individuals to build on their existing skills and strengths), and **levelism** (reacting to local labour market needs and working closely with municipalities and other local organisations). In addition, the final

¹ Eurostat, Labour Force Survey. Unemployment rate by sex and age groups, quarterly average % - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_q&lang=en

² Eurostat 2013, October 2013 Press release http://europa.eu/rapid/press-release_STAT-13-179_en.htm

³ Eurostat, Labour Force Survey. In Q3 2013, 48.1% of the unemployed had been seeking work for 12 months or more: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_ltu_q&lang=en

⁴ http://ec.europa.eu/europe2020/pdf/annual_growth_survey_en.pdf

⁵ http://ec.europa.eu/europe2020/pdf/ags2013_en.pdf

⁶ COM/2012/0173 final, *Towards a job-rich recovery*: <http://ec.europa.eu/social/BlobServlet?docId=7619&langId=en>

⁷ Public Employment Services' Contribution to EU 2020 – PES 2020 Strategy Output paper: <http://ec.europa.eu/social/BlobServlet?docId=9690&langId=en>

principle is that activities should be **evidence-based** in order to ensure that they are cost-efficient and effective. In this context, and bearing in mind the extensive use of public works programmes in some countries, the study will review how existing programmes are implemented in relation to these principles and how they might be improved.

1.2 Conceptual overview of public work programmes

At the most basic level, the term *public works* denotes a programme in which the state or a state agency (or, in some cases, other not-for-profit organisations) organises work, which is additional to normal market demand, for unemployed persons, for a limited duration, in return for payment (in cash or in kind) that ensures at least a basic minimum income. The programmes can therefore be characterised as having two main components:

1. *Passive element*: income support that serves a short-term purpose of providing an income that is adequate to ensure a minimum standard of living (social safety net). Payments may be in the form of a wage or continued access to unemployment or other social benefits (conditional on participation – i.e. “mutual responsibilities approach”), sometimes with a top-up incentive (e.g. activation allowance in Slovakia).
2. *Active element*: work experience that serves either a short-term purpose of maintaining an ability to work and existing skills in order to maintain proximity to the labour market, or a longer-term purpose of enhancing skills to bring someone closer to the labour market. In both cases the ultimate aim is to facilitate (re-)integration in the regular labour market.

Through time and between countries, the public works label has been applied to an assortment of programmes which share these two essential ingredients but serve slightly different objectives. In some cases the emphasis is on the active element in that there is a clear aim for the work experience to provide a springboard to regular employment, whilst in others the focus is more on the passive element and the work experience is largely symbolic and used as a means of maintaining eligibility to income support (“Workfare”). Clearly this difference impacts on the effectiveness of the programmes in terms of subsequent employment outcomes. The effectiveness may be further influenced by the different roles played by the PES and the work providers (i.e. local authorities, communes, municipalities), how each perceives the programme objectives and how they work together, all of which can significantly impact on whether or not the work experience opportunities are relevant and offered to the right people and the type of on-going support that may be provided. These are some of the issues that will be considered through case studies.

2. Overview of public works programmes in Europe

2.1 What programmes exist...

Public works programmes (PWP) have long been used by governments across Europe to address unemployment and provide important social assistance to those most in need whilst simultaneously providing a boost to community infrastructure and services.

The Eurostat Labour Market Policy (LMP) database collects annual information on the expenditure and participants in labour market policy programmes for all EU countries and Norway⁸. This quantitative data is complemented by a comprehensive set of qualitative information describing each of the interventions in place⁹. Based on the key characteristics detailed in the previous section a total of 31 PWPs, in 22 Member States, were identified as being active in 2011, the latest year for which a full set of LMP data is currently available (Table 1). Overall, these 31 PWP account for an estimated 9.5 % of expenditure (more than 5 billion Euros) on LMP measures¹⁰ (i.e. active labour market policies) and 7.5% of participants (more than 700,000 participants) across the EU-27 Member States.

It is important to note that whilst most PWP have been in place for some time they have generally changed since their inception; governments have had to adapt PWP to meet current conditions, to face different needs and challenges. Modifications to PWP include changes to eligibility criteria, the duration of the programme, amount of support received, etc. Alternatively, new PWP with a different design may have been launched which are meant to replace (more or less gradually) previous PWP, or simply to address a temporary need through ad hoc measures.

Table 1 shows the PWP identified, their start year, and the relative importance of each programme in the national context in terms of the number of participants and the expenditure as a percentage of the respective totals for all LMP measures in the country. A separate table in annex provides the names of all PWP in their national language. The 17 programmes marked in bold represent more than 5% of either expenditure or participants in the country and are analysed more closely in the next section of this study¹¹.

Note on references to programmes covered: For the sake of simplicity, the full programme names are generally not used in the text, rather programmes are referred to simply by country. The exception is Finland, where two public works programmes (each accounting for more than 5% of LMP participants) are in place. In this case the following names and codes are used:

FI*	Employment subsidy, municipalities
FI**	Rehabilitative work experience

⁸ http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_market_policy & http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_market_policy/database

⁹ Eurostat, LMP Statistics, Qualitative reports by country.

<https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp>

¹⁰ The Eurostat LMP Methodology 2013 defines LMP measures to be “interventions that provide temporary support for groups that are disadvantaged in the labour market and which aim at activating the unemployed, helping people move from involuntary inactivity into employment, or maintaining the jobs of persons threatened by unemployment”.

¹¹ The Latvian programme “Work practice in municipalities” is not included because it was only a temporary measure in place only for the period 2009-2011.

Table 1 – Significant public works programmes in the EU, 2011 (% total of LMP measures)

MS	Programme name	Start year	Participants	Expenditure
BE	Transition to work scheme ¹²	1997/98	2.2	2.2 [^]
BG	Welfare to work	2002	23.9	19.9
CZ	Public works programme (VPP)	1991	15.7	15.1
DE	Community service jobs ¹³	2005	15.6	9.1
DE	Model project "community work"	2011	0.7	0.4
EE	Public work	1996	0.2	0.3
IE	Community employment scheme	1994	27.9	30.1
ES	Direct job creation ¹⁴	1985	1.9 [^]	8.7 [^]
FR	Single inclusion contract (CUI-CAE)	2010	15.7	14.8
FR	Contract for the future (CAV)	2005	0.2	0.5
FR	Employment assistance contract (CAE)	2005	0.7	5.5
IT	Socially useful work	1997	1.4	1.7
IT	ESF co-financed actions 2007-2013 - public utility works	2007	:n	:n
LV	Work practice in municipalities ¹⁵	2009	53.2	38.8
LT	Public works	1991	38.9	26.4
LU	Socially useful works	1987	1.6	0.01
LU	Temporary compensated appointment	1999	5.8	9.6
HU	Public Employment	2011	46.3	62.0
MT	Community work scheme	2009	0.6	5.0
AT	Socio-economic enterprises and non-profit employment projects	1994	4.5	8.3
PL	Public works	1991	0.6	3.0
PL	Socially useful work	2005	0.6	0.6
PT	Employment scheme for persons in receipt of unemployment benefits	1985	9.5	16.4 ¹⁶
PT	Employment scheme for persons in need	1985	2.2	2.0
RO	Temporary employment	2002	10.1	13.8
SI	Public works	2001	8.4	20.4
SK	Minor communal services ¹⁷	2004	18.0	15.1 ¹⁸
HR	Public works	2006	:	:
FI	Temporary government employment	1930	1.1	2.4
FI*	Employment subsidy, municipalities	1978	6.4	4.4
FI**	Rehabilitative work experience	2001	7.7	4.1
All public works programmes in 2011 ¹⁹			7.4	8.4

Source: Eurostat, LMP statistics and own calculations

Note: :n not significant, : not available, ^ incomplete data (could be underestimated)

¹² Figures shown are an aggregate of data for variants of the "Transition to work" scheme organised separately at federal level and in each of the regions. Expenditure does not include the costs of the monthly integration allowance that may be provided to participants in the Brussels region.

¹³ "Community service jobs" may be organised by the PES and municipalities. Precise costs for the PES are known but costs incurred by municipalities are estimated (using costs per participant for persons supported by the PES).

¹⁴ Figures include national and regional variants of the same scheme. Data on both expenditure and participants are incomplete for the regional variant and refer to 2010. The data also include expenditure and participants of "Promotion of agricultural employment in Andalucía, Extremadura and under-developed rural areas", which in 2004 (the last time separate data were available) accounted for just under 40% of the expenditure.

¹⁵ Temporary measure for 2009-2011 replacing "Paid temporary public works programme", reinstated in 2012.

¹⁶ Includes an estimate of the costs of continued unemployment benefits paid to participants, which are not included in the costs for the intervention as reported to the LMP database.

¹⁷ Full name according to LMP database: "Contribution for activation activity in the form of minor communal services performed for a municipality or minor services for a self-governing region". Data cover only activation works contracted by the local labour offices and exclude works contracted by municipalities.

¹⁸ Includes an estimate of the costs of the benefits paid to participants (benefit in material need and activation allowance), which are not included in the costs for the intervention as reported to the LMP database.

¹⁹ Includes 2010 data for the regional variant of the Spanish programme.

2.2 ...and how important are they?

The relative significance of PWP, in terms of expenditure and participants, in the national context shows considerable variation, even when only the main programmes are considered (Figure 1).

Figure 1 – Expenditure and participants of main PWP as % of total LMP measures, 2011



Source: Eurostat, LMP statistics

Note: PWP are ranked in descending order by average of participants and expenditure as % of total LMP measures.

Hungary stands out: the *Public employment* scheme accounts for approaching half (46.3%) of participants and nearly two thirds of expenditure on LMP measures. In Lithuania and Ireland the PWPs are also very important elements of active labour market policy, accounting for more than 25% of the total in terms of both participants and expenditure. PWP schemes tend to be relatively more important in central and Eastern European countries, though those in Ireland and France (which both operate schemes aimed at filling in the gaps in market provision of goods and services) are also significant.

It should be noted that the figures for Slovakia are thought to be a considerable underestimate. The statistics shown cover activation works contracted by the local labour offices (PES) but not those contracted by municipalities. Recent analysis of activation allowances paid to participants indicate that participants contracted by labour offices account for only 10-20% of the total²⁰.

The *Community service jobs* scheme in Germany is important in terms of participants (15.6%), but less so in terms of expenditure (9.1%), which implies that the intervention is relatively cheap to implement compared to other active measures in the country. In contrast, in Malta, Spain, Slovenia, Luxembourg and Austria, the share of expenditure is higher than the share of participants, which implies relatively expensive interventions. In Malta the share of expenditure is eight times the share of participants, in Spain five times (though this may be an exaggeration since the participant data are known to be incomplete), and in the others around double.

²⁰ Kureková L.M., Salner A., Farenzenová M. (2013) *Implementation of Activation Works in Slovakia. Evaluation and Recommendations for Policy Change. Final Report*, Slovak Governance Institute
http://www.governance.sk/assets/files/publikacie/ACTIVATION_WORKS_REPORT_SGI.pdf

2.3 Changes in the use of public works over the crisis period

Through the provision of work and social assistance, PWP have the potential to deliver much needed support to those adversely affected by the crisis as well to improve socio-economic conditions more broadly. This section uses time series of LMP expenditure data to explore how the use of PWP changed during the crisis period. Given that spending on active measures is liable to increase in periods of high unemployment when more people are needing assistance, the analysis looks not at absolute changes in spending on PWP but at changes in the relative importance of PWP (i.e. as a share of total expenditure on LMP measures in that country) over the crisis period. This shows the extent to which PWP have been used in preference (or not) to other forms of active measure. Taking the period 2007-2011, the countries covered can be grouped into three categories characterised by increased (relative) use of PWP, decreased use, and no obvious change (Table 2). The time-series for each country attempt to cover all interventions with the characteristics of a PWP over the period, this means that for some countries the series may cover different programmes in different years as new programmes are started and others ended. Details are provided in footnotes.

Table 2 – Expenditure on PWP, 2007-2011 (% of total expenditure on LMP measures)

		2007	2008	2009	2010	2011
Increased use of PWP						
CZ	Public works programme (VPP)	15%	22%	23%	19%	15%
HU	Multiple public works programmes ²¹	39%	34%	62%	71%	62%
LT	Public works	9%	9%	10%	21%	26%
LV	Multiple public works programmes ²²	12%	23%	32%	41%	39%
Decreased use of PWP						
BG	Welfare to employment	48%	42%	35%	41%	20%
IE	Community employment scheme	39%	38%	36%	32%	30%
PT	Employment scheme for persons in receipt of unemployment benefits & Employment scheme for persons in need ²³	6%	4%	3%	2%	2%
RO	Temporary employment	27%	19%	11%	15%	14%
SI	Public works	36%	42%	19%	26%	20%
SK	Contribution for activation activity in the form of minor communal services performed for a municipality or minor services for a self-governing region ²⁴	35%	19%	5%	3%	2%
No obvious change in the use of PWP						
DE	Community service jobs & Model project "community work" (only 2011)	12%	11%	12%	13%	9%
ES	Direct job creation	10%	11%	12%	11%	9%
FR	Multiple public works programmes ²⁵	27%	23%	21%	30%	31%
LU	Temporary Compensated Appointment	9%	10%	11%	10%	10%
MT	Community work scheme	:	:	4%	6%	5%
AT	Socio-economic enterprises (SÖB) and non-profit employment projects (GBP)	8%	8%	7%	6%	8%
FI	Multiple public works programmes ²⁶	12%	11%	10%	10%	11%

²¹ Support for community service work (whole period); Employment in public work(s) (2007-2010); Employment in activities of public interest (2009 and 2010); and Public employment (2011).

²² Paid temporary public works (until 2009) and Work practice in municipalities (since 2009)

²³ Figures do not include costs of continued unemployment benefits paid to participants.

²⁴ Figures do not include cost of social benefits paid to participants (benefit in material need and activation allowances).

²⁵ Contract for the future (CAV) (whole period); Employment assistance contract (CAE) (whole period); and Single inclusion contract (CUI-CAE) (since 2010)

²⁶ Temporary government employment; Employment subsidy, municipalities; and Rehabilitative work experience

Source: Eurostat, LMP statistics

Four countries increased the use of PWP during the crisis period, either by setting up new programmes as a deliberate response to the effects of the crisis (Hungary and Latvia), or by expanding the use of the existing measures (Czech Republic and Lithuania).

In Hungary, PWP accounted for around a third (34%) of active expenditure in 2008 but this jumped to 62% in 2009 following the introduction of the *Road to Work* programme²⁷. This scheme was abolished in 2010 following a change of government but was replaced with a similar scheme more tightly linked to the benefit system and the share of expenditure on PWP has remained well above that of other countries (62% in 2011).

In Latvia a temporary PWP was introduced as a specific crisis response measure. Latvia was one of the countries first hit by the crisis and in 2008 the existing *Paid temporary public works programme* was already seeing significantly increased demand compared to previous years. In order to mitigate the effects of the crisis on households facing financial difficulties as a result of job losses, in 2009 the government introduced a temporary replacement (*Work practices in municipalities*²⁸) targeted primarily at registered unemployed not in receipt of benefits. The targeting of poorer households was generally successful²⁹ and the widespread take-up resulted in the proportion of active expenditure spent on PWP rising from 23% in 2008 to 32% in 2009 and then to around 40% in 2010 and 2011.

With regards to those countries where existing programmes were expanded, in the Czech Republic the share of expenditure on LMP measures spent on PWP rose from 15% in 2007 to 23% in 2009 (and decreased thereafter). In Lithuania there was no evidence of increased use of PWP in the main crisis period (2008-2009) but there has been a clear shift since with the share of expenditure doubling from 10% in 2009 to 21% in 2010 and increasing further to 26% in 2011.

By contrast, six of the countries with a significant PWP programme (i.e. one accounting for more than 5% of expenditure or participants in 2011) seem to have prioritised other forms of active measure over the crisis period. This applies particularly in Bulgaria, Romania, Slovenia and Slovakia, where the relative proportion of expenditure on PWP decreased sharply with the onset of the crisis, and to a lesser extent in Portugal and Ireland. Different strategies can be seen in these countries. In Romania, Ireland and in Portugal, for example, spending on training measures grew as a proportion of total expenditure on LMP measures, while in Slovakia and Slovenia there was an increased use, respectively, of employment incentives (from around 15% to 45%) and start-up support (3% to 24%)³⁰. In Bulgaria other forms of direct job creation were used instead; although the spending on the PWP fell slightly during the crisis period, a sharp decline was recorded in 2011 when a new programme specifically targeting workers dismissed after end-2008 was introduced.

The apparent decline in the use of PWP in Slovakia is not as severe as suggested by the statistics, which cover only activation works contracted by the local labour offices and not the municipalities. In 2008 a legal reform limited the duration of

²⁷ From Pensions to Public Works, Hungarian employment policy from 1990 to 2010, eds. Fazekas, K. & Scharle, Á. Budapest, 2012. http://www.budapestinstitute.eu/uploads/emp_pol20_hu.pdf

²⁸ This is the name given in the Eurostat LMP database. It is reported elsewhere as "Workplaces with stipends"

²⁹ Can public works programs mitigate the impact of crises in Europe? The case of Latvia; Azam, M., Ferré, C & Ajwad, M.I., 2013. <http://www.izajoels.com/content/2/1/10>

³⁰ For the period 2007-2011, expenditure in training measures increased from 13% to 22% in Romania, from 47% to 56% in Ireland and from 51% to 69% in Portugal. Eurostat, LMP statistics.

participation in PWP organised by the labour offices and resulted in demand shifting to the municipality variant. The decline from 19% of active spending in 2008 to 5% in 2009 is largely attributable to this change. Nevertheless, it is still the case that PWP is relatively less important now than it was before the crisis began³¹.

In the remaining countries – Germany, Spain, France, Luxembourg, Malta, Austria and Finland – there has been little change in the relative use of PWP over the period 2007-2011.

³¹ Kureková L.M., Salner A., Farenzenová M. (2013) estimate that the average stock of participants in activation works between 2008 and 2012 was 55,000 – around half the level in 2004.

3. Key characteristics of public works programmes

This section maps the main characteristics of the PWP identified in the previous section (Table 1). The 17 programmes illustrate the range/variety of the forms PWP can take in terms of the kinds of activities undertaken and their duration and intensity, the participants targeted and the support given to participants and work providers. This overview of key features is based primarily on the qualitative information available in the Eurostat LMP database³², complemented with online research and direct contact with national contacts. Four case studies of selected programmes (see next section and Annex 2) go into more detail about the programme implementation and role of the PES.

3.1 Activities

The activities undertaken by participants of PWP, the body in charge of providing the work and the period for which work is undertaken offer insight into the programme priorities.

3.1.1 Work undertaken and work provider

In the vast majority of interventions covered, the work undertaken falls into the general category of providing benefits to the local community whilst simultaneously (re)introducing the habit of working for participants³³. This ensures that one of the most basic criteria for a PWP - namely, to be in addition to normal market demand - is satisfied, whilst workers are also activated.

All 17 programmes involve local government authorities (in the various forms they take in each country) either as the main employment provider directly or as the manager of the scheme. More than half (11) of programmes³⁴ also involve other public institutions at national or regional level, usually referred to as “public services”, which may include specific public authorities or labour ministries, national projects (e.g. public infrastructure projects – waste management, public transport, conservation; cultural – sport and leisure facilities; personalised services – childcare, care for elderly and disabled) and so on.

Additionally, all programmes but one (Slovakia) involve - in addition to public authorities - non-profit organisations; a wide-ranging group encompassing social enterprises, community groups, charities, non-governmental organisations, foundations, and similar organisations or voluntary groups. There are also examples where programmes involve other organisations which are not easily categorised, such as universities (Spain), religious organisations (Hungary and Finnish rehabilitation programme), and trade unions (Luxembourg).

The organisation and management of work under PWP varies. In certain cases, such as programmes in Bulgaria, Ireland, Spain (for regions), Lithuania, and Slovenia, public works projects are put out for tender or a public application process and organisations providing work (municipalities, non-for-profit organisations, private companies, etc.) submit their proposals for public works projects to the relevant body, which may be the PES (e.g. Slovenia) or another governmental body (e.g. Ireland³⁵). In some cases, neither a tender nor an

³² See LMP qualitative reports:

<https://circabc.europa.eu/w/browse/a6c2af91-2d37-4761-bec5-bcb2416d46ae>

³³ In exceptional cases (BG and SK), the definition of the work undertaken expands beyond serving routine local community needs to include responding to natural disasters (floods, fire, landslides, severe winter weather, etc.) and emergency assistance.

³⁴ IE, ES, FR, LT, LU, HU, MT, PT, SI, SK, and FI*

³⁵ In IE it is not the PES but the Department of Social Protection which issues the call for tender.

application is involved, but rather the PWP is organised directly on a case-by-case basis. In the Czech Republic, an agreement is signed directly between the PES and the work provider (as well as between the PES and the unemployed person). Formal contracts agreed on a case-by-case basis are also used in France and Romania. In the Finnish rehabilitative work experience programme, the programme is organised under an activation plan which is agreed collectively by the beneficiary, local government (work provider) and the PES. This is also the model followed in Germany.

Some programmes involve further specifications for the work to be undertaken which limit it to public interest activities which do not undermine or contradict the competitive market but rather (at least in certain cases) fill an identified public need. The German and Hungarian interventions explicitly outline that the activities undertaken must be competitively neutral and/or cannot be market oriented. This goal is compatible with the requirement for schemes not to displace or replace existing jobs, a criterion cited in Finland (employment subsidy). For the programmes in Ireland³⁶ and France³⁷, the work undertaken should respond to an identified community need which both the public and private sectors have failed to address and which will not, therefore, substitute or interfere with jobs in either. In this way, the Irish programme, for example, aims to support communities “where public and private sector services are lacking, either through geographical or social isolation or because demand levels are not sufficient”³⁸ and thereby fill a gap in service provision.

There is one exception to the rule that the work must be additional to normal market demand: in the case of Austria, within the Socio-economic enterprises variant (SÖBs), the project needs to pursue, in addition to social goals, market and profit objectives. Specifically, SÖBs are required to sell products or services at market prices and thereby cover some costs through sales revenues.

In terms of who is allowed to provide work, however, although some programmes specifically exclude the participation of private business (e.g. Slovenia), others are either open to, or actively target, companies. For example, in Lithuania preference is given to non-profit companies and institutions as well as – unusually for a PWP – to companies who make a commitment to create new permanent jobs³⁹.

3.1.2 Customisation, accompanying activities and additional support

Arguably, the more tailored the schemes are, the more benefit the individual derives from participating in the scheme because it is designed to address the specific barriers facing that particular individual. In a few interventions (Finland – Rehabilitative work experience, Slovenia and Portugal) the work undertaken is described as being determined by the participants’ skills and capacity, and/or previous experience. This means that the programme is, to a greater or lesser extent, tailored to participants’ abilities and needs. For example, while the Finnish programme for rehabilitation involves an important active element (through rehabilitative and accompanying training activities), the programme in Portugal focuses more on the physical capabilities and previous experience of the

³⁶ See description of eligible projects, at <http://www.welfare.ie/en/Pages/Eligibility---Projects.aspx>

³⁷ See description of characteristics of contract: <http://travail-emploi.gouv.fr/informations-pratiques,89/les-fiches-pratiques-du-droit-du,91/contrats,109/le-contrat-unique-d-insertion,10998.html>

³⁸ <http://www.welfare.ie/en/Pages/Community-Services-Programme.aspx>

³⁹ Description of the programme in LMP database states preference is given to companies creating new permanent jobs. The PES website contains a document (“Pasiūlymo dėl viešųjų darbų projekto ekonominis sunkumus patiriančios įmonės įgyvendinimo forma”) for companies to fill in with the statement: “At the end of public works people will be employed at least 6 months.”

participant. In the case of Slovenia, part-time at-risk-of-redundancy workers must be given work in an area they have not previously worked in order to expand their skill set and help them improve their work prospects. There are also cases where individual action plans form an integral part of the PWP, for example in Slovenia participants must have an “employment plan” and the Finnish employment subsidy programme specifies that accompanying activities should be taken in line with the individual action plan agreed prior to the scheme. Furthermore, in Ireland “Individual Learner Plans”, agreed between the sponsors (work providers) and the participants, outline what training elements will be involved for the individual. This tailoring of services should improve the effectiveness of the schemes.

Training is the most common measure provided in conjunction with PWP which, given that most participants will be low-skilled, is a logical step to improve their employability (see Table 3). Still, it is not found in all cases but in around half (nine). Where provided, training is intended to improve the employability of the participant, but it may also be specifically geared towards matching the participants’ skills to the needs of the job placements (Malta), including gaining the requisite qualifications for the programme (Lithuania).

The second most common accompanying measure associated with PWP is the provision of individual coaching/guidance (see Table 3). In Luxembourg, participants receive a tutor to assist and guide them throughout the programme⁴⁰. In France, participants receive on-going job-search assistance to help them with the transition from the programme into employment. An evaluation of the Irish programme acknowledges that the job-search assistance and progression planning which is available could be improved if it were provided “well in advance of their scheduled exit...”⁴¹

Other activities include care, rehabilitation and health services/activities, found in the Finnish programme with a clear rehabilitative focus. In Austria the programme involves funding for “work managers” who provide, among other things, supervision of participants. In addition, programmes in Bulgaria and Slovakia include financial support for employers taking on participants so that they can adequately supervise and organise programmes that are useful for both parties. No accompanying measures or additional support was described in the Czech Republic, Germany, Spain, Portugal or Romania.

Table 3 – Specified “accompanying actions” for PWP, 2011

	BG	CZ	DE	IE	ES	FR	LT	LU	HU	MT	AT	PT	RO	SI	SK	FI*	FI**	Total
Training	x			x		x	x		x	x	x			x		x		9
Counselling for participants				x		x		x						x			x	5
Advice for employers	x			x														2
Other	x										x				x	x	x	4
Total	3	-	-	3	-	2	1	1	1	1	2	-	-	2	1	2	2	

Source: Eurostat, LMP statistics, [Qualitative reports](#) and national sources

Note: - no accompanying measures outlined

⁴⁰ Article 3 of regulatory document, http://www.conseil-etat.public.lu/fr/avis/2011/02/49_114/49114_texte_du_projet_de_reglement_grand-ducal.pdf

⁴¹ Department of Social Protection, *A Review of Department of Social Protection Employment Support Schemes*, November 2012.
<http://www.welfare.ie/en/downloads/Review%20of%20Employment%20Support%20Schemes.pdf>, p.42

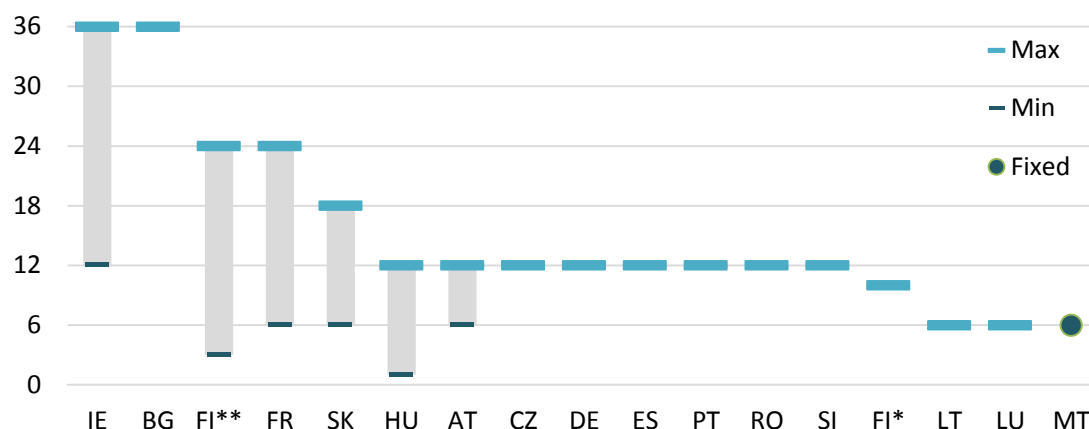
3.2 Duration and intensity

The duration of a programme is an important aspect of its design; a delicate balance is required to ensure that a programme is sufficiently long for participants to benefit from the experience, learn new skills and/or (re)gain the habit of working but not so long that lock-in effects take hold or that the programme no longer serves the purpose of activation. The prescribed duration of the programme also needs to be considered in tandem with its intensity in terms of stipulated hours of work per day/week. Again, there is a balance to be struck, this time between the need to give the participant a chance to experience a full-time time work schedule and (re)develop a work habit and the need to ensure enough spare time for job search activities and/or training.

3.2.1 Duration

Since the purpose of the programme is (in theory) to activate participants and help them move into regular employment, all programmes are by definition temporary. Whilst all programmes set an upper limit on participation, a lower limit is given in less than half of the programmes (Figure 2).

Figure 2 – Duration of participation of PWP (months), 2011



Source: Eurostat, LMP statistics, and national sources (see Table 4 for flexible options)

The minimum defined period for participation ranges from 1 month (short term public employment variant of PWP in Hungary), to 12 months (Ireland). With regards to the maximum duration, again the programme in Ireland, as well as in Bulgaria, set the longest upper limit at 36 months. Most other programmes set the maximum period as 12 months.

It is quite common for the duration to vary depending on the characteristics of the participants and their prospects of employment (Table 4). Groups deemed especially vulnerable or with the most barriers to work (usually disabled and older participants⁴², but also the Roma population in Slovenia) may be entitled to greater flexibility, either to stay in the programme longer or to participate for a shorter period than other groups. In some cases (e.g. Spain) the type of organisation providing the work may have an impact on the duration defined.

These flexible options illustrate the different objectives for the participants/organisations involved. Where participants face multiple barriers to work they may need longer to adjust to work and the programmes may be designed to deliver more of the passive component of the PWP (i.e. provide a

⁴² (e.g. in DE, IE, FR, SI and FI*)

minimum safety net) rather than to activate the participant, at least in the short-term.

Table 4 – Duration of PWP (months) and details on flexibility, 2011

	Min	Max	Details
BG		36	
CZ		12	Repetitions possible for participants and employers (no limit specified).
DE		12	In the compensation variant, the most common duration is 12 months, but can be extended for up to 24 months if there is sufficient labour market interest, and 36 months if participant >55 years old.
IE	12	36	Two variants: "Part-time Integration Option" (1 year) and "Part-time Job Option" (1 year but renewable up to 3 years, or 6 for >55 up to 6 years or 7 in case of disability).
ES		12	Projects cannot be longer than 9 months for the variant for non-profit bodies, universities and public bodies (other than municipalities). In exceptional cases, projects undertaken by local authorities can be extended by 6 months.
FR	6	24	In some particular cases (for instance for ex-prisoners) the duration can be 3 months whilst for older or disabled beneficiaries it can be longer (60 months).
LT		6	Can be an aggregate of 6 months over period of 12 months.
LU		6	Can be extended for 6 months if individual is still eligible for scheme.
HU	1	12	Two variants: "Short term public employment" which last 1-4 months for 4 hours/day fixed-term employment relationship. Or, "Long term public employment" which lasts 2-12 months, 6-8 hours/day.
MT	6		Repetitions possible (unlimited).
AT	6	12	Minimum 9 months for rehabilitation participants; can be extended beyond 12 months in specific circumstances.
PT		12	
RO		12	
SI		12	Duration can be extended by up to 12 months for certain participants, e.g. Roma population, disabled and - if they have been involved for less than 1 year in the programme over the last 2 years - men >58 and women >55.
SK	6	18	
FI *		10	Up to 24 months for disabled participants.
FI **	3	24	

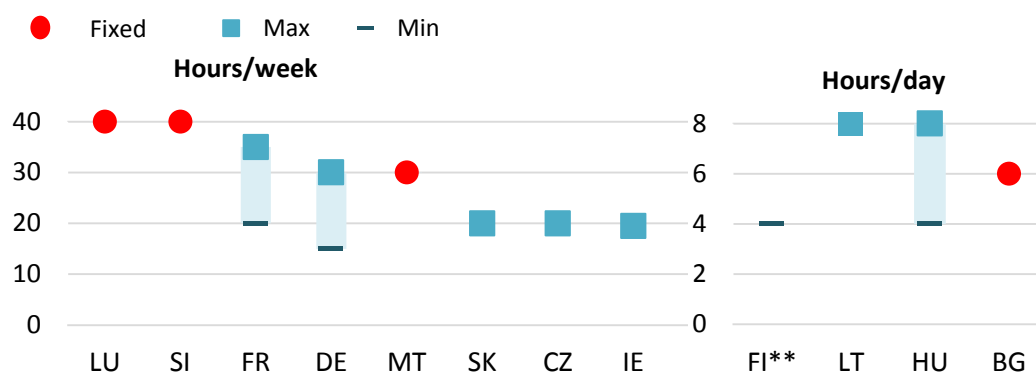
Source: Eurostat, LMP statistics, and national sources

3.2.2 Intensity

Although information on the intensity of the programmes is not readily available for all programmes, the most demanding programmes appear to be those in Luxembourg and Slovenia, where – except in particular cases – the participants are required to work 40 hours/week (see Figure 3 and Table 5). Interventions in Bulgaria, France, Hungary and Malta also have fairly intense working time requirements, although in France and in Hungary there is a lighter option available. Flexibility is also part of the German scheme where there is a maximum of 30 hours/week but just 15 hours/week are compulsory.

A number of programmes set a lower intensity in order to encourage participants to partake in complementary activation measures, such as training or paid work (Table 5). The programme in Ireland is part-time (19.5 hours/week or 39 hours/fortnight) for this reason. In Bulgaria and Luxembourg, participants who enrol in a training course, or for whom training is provided, can have their weekly work hours reduced. In some cases other criteria, such as whether the participant has any disabilities, reduce the minimum intensity required.

Figure 3 – Intensity of participation of PWP where available, 2011



Source: Eurostat, LMP statistics, and national sources (see Table 5 for flexible options)

Table 5 – Intensity of PWP and details on flexibility, 2011

	Min	Max	Unit	Flexible options/details
BG	6	6	hrs/day	Can be part-time when combined with educational courses.
CZ		20	hrs/wk	
DE	15	30	hrs/wk	
IE		19.5	hrs/wk	Participants are encouraged to engage in other part-time work.
ES				Not defined/unknown.
FR	20	35	hrs/wk	Less intense options are available in exceptional cases (e.g. if individual is in bad health, handicapped, etc.).
LT		8	hrs/day	Part-time hours are possible if work is undertaken in companies facing economic difficulties.
LU	40	40	hrs/wk	If participants are undertaking at least 8 hours/week of training only 32 hours/week work are required.
HU	4	8	hrs/day	2 variants: one more intense (6-8 hrs/day), and longer (2-12 months); one less intense (4 hrs/day) and shorter (1-4 months).
MT	30	30	hrs/wk	
AT				The intensity varies depending on the project.
PT				The intensity varies depending on the project.
RO				Not defined/unknown.
SI	40	40	hrs/wk	Less intense options are available in exceptional cases (e.g. if individual is disabled, etc.).
SK		20	hrs/wk	
FI*	85%	100%	hrs/wk	(% of full-time hours)
FI**	4		hrs/day	

Source: Eurostat, LMP statistics and national sources

3.3 Nature of participants

The profile of eligible and targeted participants of PWP also reflect the priorities of the programmes where the emphasis may be on testing motivation to work through activation, ensuring a basic safety net, tackling disadvantage or a combination of all of these.

3.3.1 Eligibility criteria and targeting of participants

Three interventions (in Germany, Malta and the Finnish rehabilitation programme) illustrate the work test component found in some PWP. For these interventions, in order to maintain eligibility to (unemployment) benefits, individuals are required to participate in PWPs. In Malta participation in the

“Community Work Scheme” launched in 2009 is compulsory for registered unemployed after a certain period to maintain eligibility to benefits⁴³. In fact, part of the purpose of the programme was to tackle undeclared work (i.e. persons claiming unemployment benefits but actually working in the black economy)⁴⁴. In Germany and Finland, individuals can also have their benefits cut off (in Germany, this is temporary) if they refuse to take part in the scheme without good reason.

For the remaining 14 programmes, benefits are not conditional on participation in the scheme rather the individual may voluntarily sign up for the programme or be referred to participant by PES staff. For example in the Czech Republic, “agreement” with the unemployed person is sought which implies they will be approached by PES staff but they are not bound to accept an offer⁴⁵. In Ireland participation is also voluntary but eligible individuals are able to self-select, “a person can obtain information on a place ... either directly from the relevant project or through DSP Employment Services, and then applies directly to the sponsor [i.e. the work provider].”⁴⁶

For six of the 14 programmes which are not mandatory, eligibility for participation in PWP is linked to the receipt of benefits⁴⁷. For these programmes, participants have their eligibility for PWP tested against their receipt of either unemployment benefit or other form of income support or social assistance benefits.

As per the Eurostat LMP database and national sources, the majority (11/17) of PWP covered are available to, or target, all unemployed persons (Table 6). In all but one of these (France) specific target groups are also identified. The most common specific target group found among all programmes is long-term unemployed - LTU (found in 11 cases). This is not surprising since one of the major objectives of PWP is to ensure proximity to the labour market, something LTU persons will necessarily lack. The next group is “public priorities and other” which usually means hardest to place individuals, those with multiple barriers (e.g. ex-prisoners, homeless persons⁴⁸ and people with addiction problems). Again, this group will likely be far from the labour market, stand to gain considerably from a period of routine work and can be considered as the most disadvantaged.

The targeting of other specific groups (disabled, re-entrants/lone parents, older, youth) is identified in fewer interventions - just two target immigrants/ethnic minorities specifically - and usually not exclusively but alongside targeting of other groups.

⁴³ Initially 5 years, lowered to 3 and will gradually be lowered to at least 6 months.

⁴⁴ Debono, M. (February 2012). *EEO Review: Employment policies to promote active ageing, 2012 Malta*. European Employment Observatory: <http://www.eu-employment-observatory.net/resources/reviews/Malta-EPPAA-Feb2012-final.pdf> (p.6)

⁴⁵ http://ec.europa.eu/employment_social/empl_portal/weesp/CZ-1.pdf

⁴⁶ Department of Social Protection, *A Review of Department of Social Protection Employment Support Schemes*, November 2012. <http://www.welfare.ie/en/downloads/Review%20of%20Employment%20Support%20Schemes.pdf> (p.39)

⁴⁷ BG, IE, LU, HU, PT, and SK

⁴⁸ e.g. in CZ

Table 6 – Identified target groups for PWP, 2011

Target groups	BG	CZ	DE	IE	ES	FR	LT	LU	HU	MT	AT	PT	RO	SI	SK	FI *	FI **	Total
All	x	x		x	x	x	x		x			x	x			x	x	11
LTU	x	x	x	x	x					x	x			x	x	x	x	11
Youth	x		x				x		x		x					x		6
Older											x			x		x		3
Disabled				x	x						x			x		x	x	6
Immigrants/ethnic minorities		x												x				2
Re-entrants/lone parents	x	x									x			x				4
Public priorities and other		x	x		x		x	x	x		x	x	x	x				10
Total	4	5	3	3	4	1	3	1	3	1	6	2	2	6	1	5	3	

Source: Eurostat, LMP Qualitative Reports and national sources

3.3.2 Who actually participates?

LMP statistics cover duration of unemployment prior to entry into PWP, gender and age groups (of which, those <25 years old and >55 are studied here). These data allow for a comparison of who actually participates in the programmes vis-à-vis targeting and eligibility criteria.

3.3.3 Duration of unemployment of participants prior to entry into programme

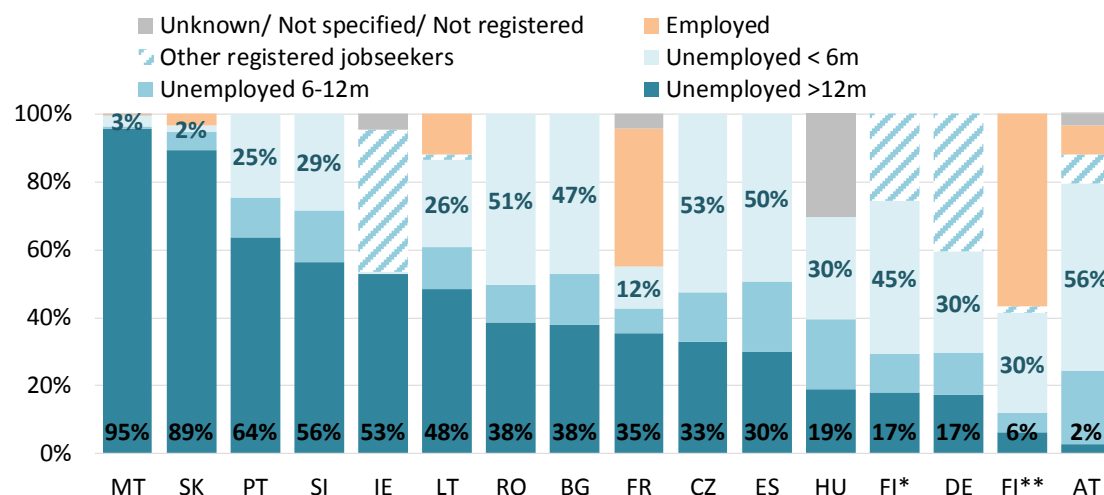
It is important to clarify that in some programmes not all participants are recorded as previously registered unemployed/jobseekers⁴⁹. Rather, some participants were employed or their previous status was unknown/unspecified/not registered (Figure 4). However, it is possible that in some cases where the previous status of participants is recorded as “employed” the individuals have entered from another (or even the same) ALMP measure (e.g. the Finnish Rehabilitation programme). As such, these people cannot be considered “employed” in the regular sense but rather employed in an ALMP measure (with the possible exception of Lithuania where the programme partly targets employees who have been made redundant).

The highest proportion of LTU (defined as lasting longer than 12 months) entrants is found in Malta and Slovakia, interventions which exclusively target LTU (Figure 4). In Malta the scheme is limited to persons unemployed for >5 years⁵⁰ and in Slovakia eligibility is restricted to those who have been registered as unemployed for 12 months out of the previous 16.

⁴⁹ In MT, SK, IE, FR, LT, HU FI** and AT (in MT 99.5% of participants are either registered unemployed or jobseekers).

⁵⁰ In 2011; it has since been lowered

Figure 4 – Duration of unemployment prior to participation in programme, 2011



Source: Eurostat, LMP statistics

Note: No data available for regions in ES programme or LU; in DE unemployment duration data refers only to PES clients.

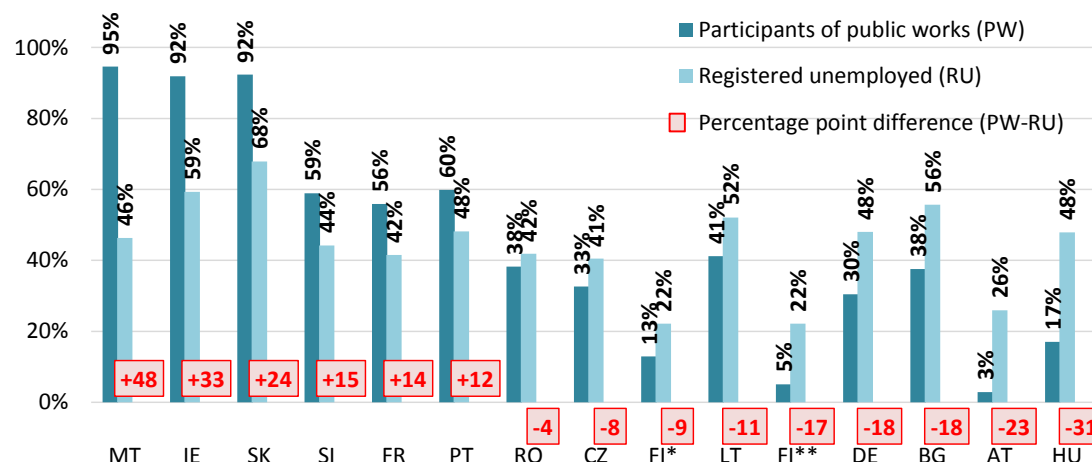
Looking at the stock figure⁵¹ for the proportion of LTU participants in PWP compared to the proportion of LTU among registered unemployed in the population overall shows that – as you would expect given the eligibility criteria – some of the highest divergence between the two values are in Malta and Slovakia (Figure 5). In Ireland too, the eligibility criteria states the programme is “available in the main to people over 25 who have been in receipt of specified social welfare payments ... for at least a year”⁵² and means that 92% of programme participants are LTU compared to 59% of the population overall.

Other examples of differences between PWP participants and registered unemployed include the Portuguese and French programmes. These PWP do not specify LTU as a target group, however more than half of the participants are LTU (and the share of LTU among unemployed participants accounts for 14 and 12 percentage points –pp– more than in the registered unemployed population respectively (Figure 5). On the other hand, despite identifying LTU as a target group both interventions operating in Finland, as well as in Bulgaria, the Czech Republic, Austria and Germany, the proportion of LTU is much lower than in the population as a whole. It is important to note that in all these programmes, other groups are also identified for targeting and may have been given more of a priority (especially youth in Germany until 2012). Major differences (31pp) can be seen in Hungary, where LTU comprise nearly half of all registered unemployed but closer to a fifth of recorded unemployed participants of PW, however, LTU are not identified as a target group in this programme.

⁵¹ The Eurostat LMP Methodology 2013 defines stock as *the number of persons participating in an intervention at a given moment*. The figure used is the annual average stock figure, which is usually calculated as an average of the stock at the end of each month.

⁵² A Review of Department of Social Protection Employment Support Schemes, Department of Social Protection, November 2012.
<http://www.welfare.ie/en/downloads/Review%20of%20Employment%20Support%20Schemes.pdf>

Figure 5 – Proportion of LTU amongst unemployed participants in PWP and amongst all registered unemployed, 2011



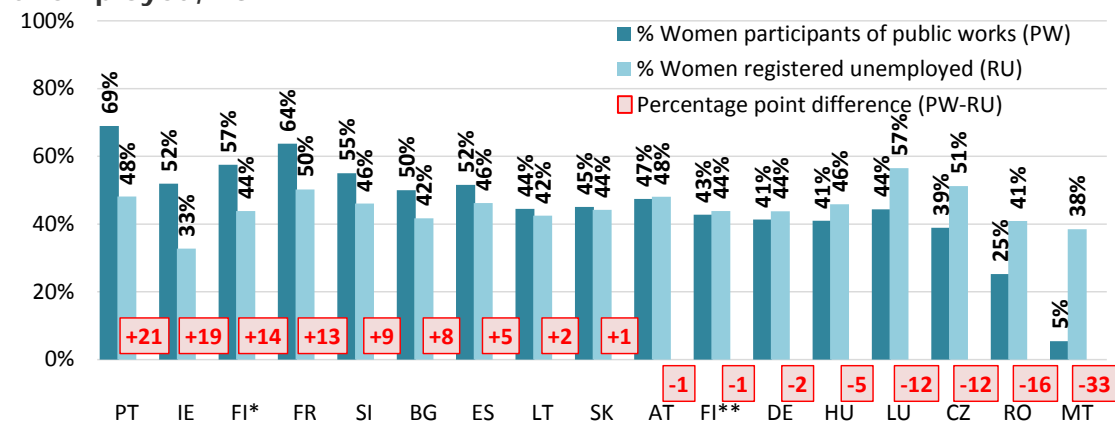
Source: Eurostat, LMP statistics

Note: Data not available for ES or LU

3.3.4 Gender of participants

Looking at the breakdown of participants by gender for registered unemployed shows that women are just as likely to be overrepresented as they are to be underrepresented (Figure 6). There is scarcely any difference between the percentages of women (i.e. ± 1 -2pp) in Lithuania, Slovakia, Austria, Finland's rehabilitation programme, and Germany. Small differences (i.e. ± 5 -10pp) are found Slovenia, Bulgaria, Spain and Hungary. Significant differences (i.e. $\pm >10$ pp) are found in a total of nine cases, five programmes reaching a smaller share of women registered unemployed compared to the situation in the population overall and four where the opposite is true. The difference is greatest in Malta, but there the target group is those people who have been unemployed for more than five years. As such the difference may also reflect the gender balance of the target group. The next biggest gaps were recorded in Portugal and Ireland where there were around 20pp more women previously registered unemployed and participating in programmes than registered unemployment in the population overall. It is possible that the targeting of lone parents (amongst other benefit recipients) provides some explanation of the situation in Ireland.

Figure 6 – Proportion of women in PWP and amongst all registered unemployed, 2011



Source: Eurostat, LMP statistics

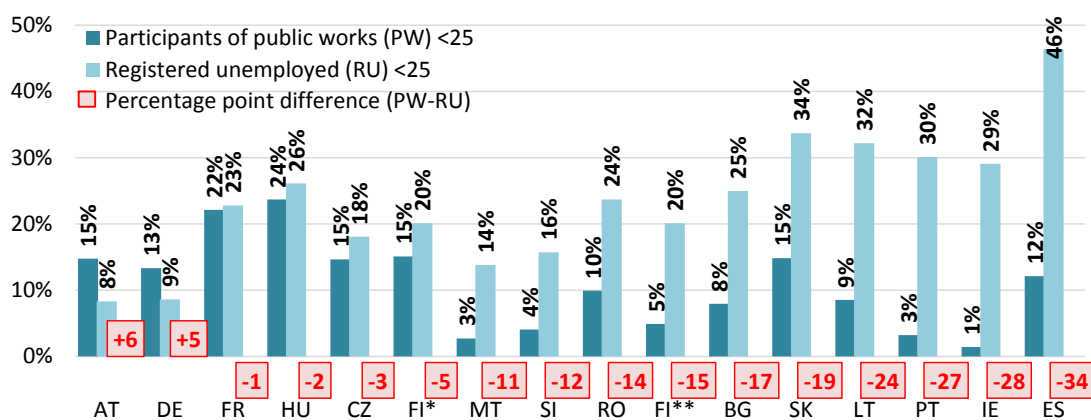
Note: No gender breakdown available for regions in ES programme.

3.3.5 Age of participants

The proportion of young people (<25 years old) participating in PWP ranged from 1% in Ireland to 24% in Hungary (Figure 7). The low rate in the Irish programme is explained by the fact that participants must be over 25 years old, younger participants (18+ years old) are only eligible if they are in receipt of disability-related payments⁵³. Six programmes identify youth as a target group⁵⁴. Of these, two programmes (in Bulgaria and Lithuania) stand out as having a distinctly lower proportion of participants are <25 compared to the proportion of <25 registered unemployed in the population. However, in both cases, youth are not the sole target group. In addition, in Bulgaria the legislation defines young people are those aged less than 29 years old, which may partly explain lower level of participants aged less than 25.

Overall, the difference between the percentages of young persons in PWP compared to the percentage of registered unemployed in this age group shows that the latter to be consistently higher with the notable exception of Germany and Austria (where youth are targeted) (Figure 7). In fact, Germany and Austria stand out as countries where the percentage of young unemployed (<25) is relatively low, well under half the EU-27 youth unemployment rate for 2011 (21.4%⁵⁵). As Figure 7 illustrates, registered youth unemployed has reached extremely high levels in Spain (46%, the highest in the EU for 2011), which leads to a substantial gap of 34pp between the share of PWP participants that are <25 (12%) and the proportion of registered youth unemployed.

Figure 7 – Proportion of participants <25 years old in PWP and amongst all registered unemployed, 2011



Source: Eurostat, LMP statistics

Note: No age group breakdown available for LU or ES regions

With regards to older participants (aged 55+), there is a similar range across practices; this time the lowest proportion of older people is found in Hungary (just 1%) and the highest in Ireland (27%). Three practices target older people: Finland's employment subsidy programme and the programme in Slovenia have around a quarter of participants aged 55+ and Austria has 10% in this age group.

The precise opposite trend to that seen with young persons (aged <25) is found: the percentage of registered unemployed from this age group is consistently

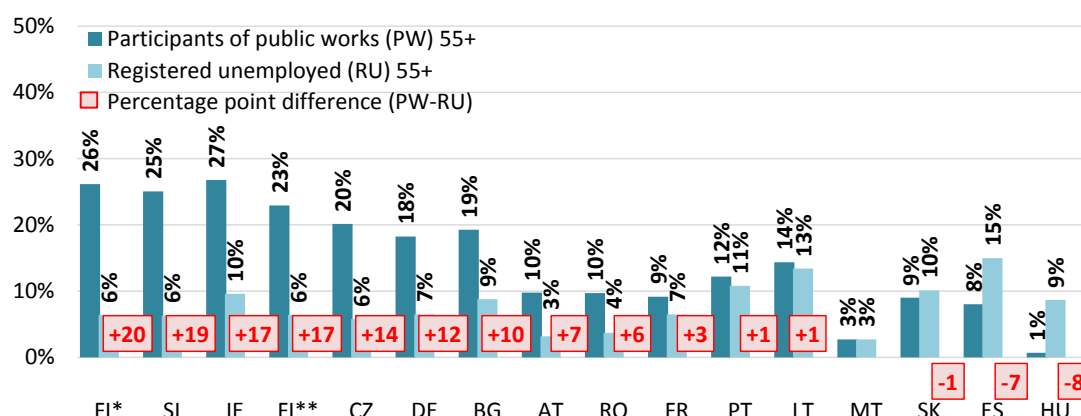
⁵³ <http://www.welfare.ie/en/Pages/Eligibility---Participant.aspx>

⁵⁴ The others are BG, DE, LT, HU, AT and FI*.

⁵⁵ Source: Eurostat, Unemployment rate by sex and age group – annual average, % (une rt a) (the only other EU Member State where the youth unemployment rate was below 10% for 2011 was NL)

lower than the proportions of older persons participating in PWP (just four exceptions). Indeed, it is also more common for older people to make up a greater proportion of participants compared to the proportion of younger participants. The obvious conclusion to draw is that older people are much more commonly targeted for participation than young persons. Based on the experience in Germany, there may be good grounds for this: in 2005 young people were given priority access to the PWP but an evaluation found the lock-in effects for this age group to be relatively high, thus from 2012 onwards the rule requiring the immediate assignment of young people to the programme was abolished⁵⁶.

Figure 8 – Proportion of participants aged 55+ in PWP and amongst all registered unemployed, 2011



Source: Eurostat, LMP statistics

Note: No age group breakdown available for LU or ES regions

3.4 Income support for participants and support for providers

With regards to income support there are two questions to be answered. Firstly, where does the funding generally come from? Secondly, what is the form and value of support and, how does this relate to the cost of the programme?

3.4.1 Source of support

PWP are usually funded through multiple channels, i.e. a combination of national budget monies (occasionally through ear-marked taxes), state /regional and local government funding, social security revenue, the European Social Fund (ESF) and other EU funds. By far the single most common source of funding is the national budget, which provides at least some funding in all but two cases⁵⁷. The ESF, usually in conjunction with either national or social security funds, provides funding in around a third of schemes⁵⁸. A slightly lower proportion receives funding from social security funds⁵⁹ and around a quarter are supported in part by local funding⁶⁰.

⁵⁶ <http://ec.europa.eu/social/main.jsp?catId=1030&langId=en&practiceId=70>

⁵⁷ With the exception of PT and RO.

⁵⁸ CZ, AT, PT, SK, FI* and FI**

⁵⁹ FR, AT, PT, RO, FI**

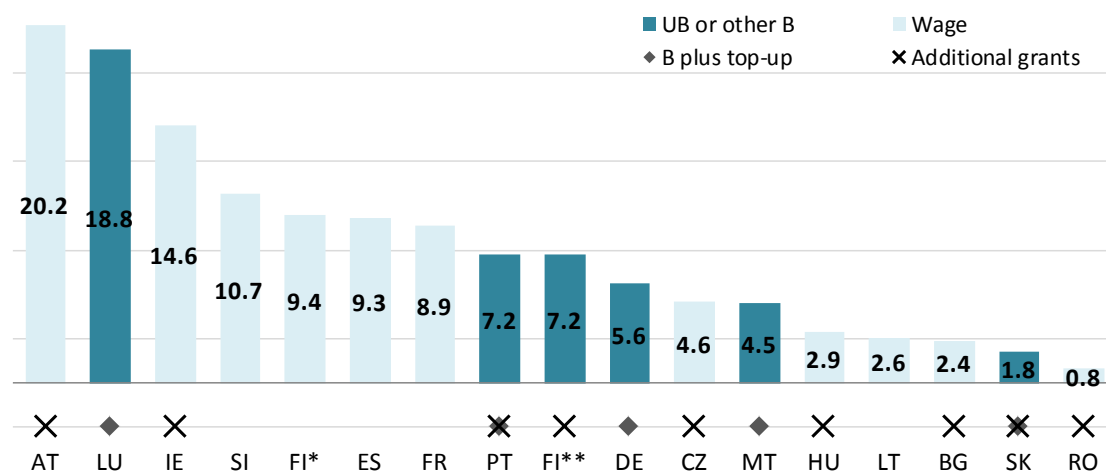
⁶⁰ FR, LT, RO, SI

3.4.2 Form and value of support

For the majority of programmes covered (10/17) participants receive a wage for their work, in five cases with additional allowances (Figure 9). The remaining seven programmes provide participants with continued access to unemployment or social benefits, in some cases with a top-up. Expenditure per participant – or more correctly the cost per participant-year or the amount it would cost to keep a person in the measure for one year even if the usual duration is shorter - does not appear to be strongly linked to the way in which support is delivered. Although wage subsidies in the open market tend to offer only partial compensation for wage costs this is not the case for public works where schemes which involve payment through wages (Figure 9) tend to cover the whole of the wage cost (including reimbursement of social contributions where relevant)⁶¹. An exception is Lithuania where only 50% salary costs are subsidised. Wages are generally low, sometimes below the minimum wage in the open market, but tend – as an incentive to participate - to be above the level of the benefits they replace, hence wage supported measures make up the majority of those with higher costs per person year but country differences in costs of living are also a factor.

The use of accompanying activities and the operation and management of the programme can also heavily influence the final cost of the programme and will have a significant impact on the cost per participant. Indeed, the only programme which has market/profit goals embedded in it (Austria), which allows for “self-funding” actually has the highest cost per person year amongst the programmes covered. This programme, together with the Irish one, which ranks third, is one of the few that provides funding for supervisory costs and training.

Figure 9 – Annual expenditure per participant for PWP (Euro, 1000s), 2011



Source: Eurostat, LMP statistics and various research papers

Note: Expenditure for SK and PT includes an estimate for the cost of benefits received by participants

By definition, where participants receive a top-up of their benefits they will receive more than they were previously entitled (Table 7). However, the amounts vary: whilst in Germany the “Community Service Jobs” have been labelled “one Euro jobs” indicating a low level of remuneration, in Slovakia the top-up may

⁶¹ For BG, ES, FR, LT, HU and FI* employers receive a compensation for, or exemption from, social security contributions.

actually be higher than the benefit eligible persons receive (the benefit in material need).

Where wages are paid as opposed to top-up of benefits, they are usually either greater than the previous benefit received and/or greater than or equal to the national minimum wage (Table 7). There are a few exceptions: for the programmes in Hungary and Slovenia, the wage paid varies by qualification level required for the work provided and for the lowest skilled jobs can dip below the minimum wage⁶². In Austria the wage paid is determined in accordance with the collective agreements of the particular branch and a degree of flexibility allows target groups to be paid a different wage.

Table 7 – Value and form support of PWP, 2011

			BG	CZ	IE	ES	FR	LT	HU	AT	RO	SI	FI*	DE	LU	MT	PT	SK	FI**	Total
Form of support:			Wage											Continued access to UB/other B						
Value of support	Relation to min wage	> min wage			x	x	x					x								4
		"=" min wage				x	x	x	x		x	x	x		x					8
		< min wage							x		x	x				x				4
	Value known to be > previous benefit		x	x	x									x	x	x	x	x	x	9
	In-built flexibility				x	x			x	x		x								5

Source: Eurostat, LMP statistics and various research papers

The value of support will of course depend on whether the main objective of the scheme is to test the motivation of the participant (e.g. Malta), provide a minimum social safety net or target the most disadvantaged (e.g. Slovakia), but it will need to strike a delicate balance between encouraging participants to join (where participation is voluntary) and encouraging them to find work in the regular labour market.

⁶² Whilst in HU the distinction made is only between those with a secondary level education or without, in SI seven different levels of qualification are used to determine the wage paid.

4. Using case studies to uncover what works in PWP and why

This section uses four case studies to explore in more detail specific and practical aspects of the design and implementation of PWPs, focussing on the PES role and responsibilities and on the findings of existing evaluations to see what is effective. The four programmes covered are from Hungary, Austria, Poland and Slovakia, each of which illustrates a different focus or approach to PWP. Full details of each case are available in annex.

4.1 Introduction to case studies

4.1.1 Hungary

The current PWP in Hungary (“Közfoglalkoztatás” or Public Employment) has been in place since January 2011. It replaced the previous system comprising of centrally organised, municipal and community PWP with a programme made up (primarily) of two variants (one short and one longer term) which accounted for a substantial share of active labour market policy spending (62%) and participants (46%) in 2011 (Figure 1). Indeed, these proportions are the highest in the EU on both counts.

The Public Employment programme continues a long tradition of similar schemes designed to prevent the loss of skills and work habits of the unemployed, as well as to test their willingness to work. The current PWP is tightly linked to the social security system – access to benefits is conditional on participation in the scheme – and plays a key role in ensuring that unemployed persons have access to a basic source of income.

The 2011 reform of PWP in Hungary increased the role of the PES, which is now responsible for selecting and allocating participants for PWP projects no matter who provides the work.

4.1.2 Austria

In Austria, the PES provides support for two variants of PWP: socio-economic enterprises (SÖB) and non-profit employment projects (GBP). This case study covers the GBP variant. The main goal of the programme is to integrate disadvantaged groups into the labour market, but also to support people laid off from public enterprises. In the context of the economic crisis the use of GBPs has been intensified with the launching of the so-called *Aktion 4000* in 2009. The distinguishing feature of the Austrian PWP is that it is project-driven; for example the specific tasks undertaken, the organisation providing the work and the remuneration, are all project specific.

PWP in Austria accounted for a relatively small proportion of expenditure and participants of LMP measures in 2011, even when both forms of PWP (GBP and SÖB) are included (Figure 1). However, the two forms of PWP have the highest expenditure per participant out of all of those covered in the first section of this study: 20,200 Euros per participant year (Figure 9). The PES has overarching authority for both issuing funds to GBPs for providing work as well as for supplementary support (e.g. training, cost of supervisors, and socio-pedagogical care as well as “integration aids”)⁶³.

⁶³ Eurostat, LMP Statistics, Qualitative Report, 2011

4.1.3 Poland

Public works programmes have been used in Poland for many years, however their use and design has evolved significantly. The legal basis for the present PWP in Poland dates from 2004, although the regulations were modified in 2009 in order to correspond with EU regulations.

Although local PES offices see public works as one of the key instruments for reaching those hardest to place, the public works programme actually accounts for a relatively small share of ALMP spending and participants (3% and 0.6% respectively in 2011, Table 1).

PES have a central role in the implementation of public works programmes right from the initial stages (i.e. approaching potential work providers, and selection of participants) through the rollout process (including the provision of preparatory training, hands on support and monitoring).

4.1.4 Slovakia

Minor communal works was introduced as a form of PWP in Slovakia in 2004, alongside a major restructuring of the social security system and the PES. The programme offers low-skilled work organised by municipalities and self-governing regions. The programme is targeted at persons in receipt of the minimum income (benefit in material need) and offers an activation allowance that roughly doubles the amount received.

Minor communal works is an important measure in Slovakia, accounting for nearly a fifth of all participants in LMP measures in 2011 (Figure 1) and around 15% of expenditure, though this latter figure is estimated because the available statistics do not include the activation allowance which constitutes the main part of the overall costs.

Municipalities have the main role in the implementation of the PWP, having full responsibility for organising the work placements and some discretion on the selection of participants. The PES role is primarily administrative in terms of checking the eligibility of jobseekers to participate and making referrals to the municipality.

4.2 Characteristics and comparative costs

4.2.1 Key characteristics

The key features of the PWP as reviewed in the previous section are summarised in Table 8 for the four case studies. In many respects the four programmes share key features, such as the tendency to involve mainly low-skilled (often manual) labour with the underlying purpose of contributing to the community in one form or another, as well as targeting the most disadvantaged jobseekers. They are also all organised by local PES, while the work providers depend on the local context.

The duration of the programmes varies across and within programmes (for example Hungary offers short- and long-term variants): Poland and Austria set limits to participation (at 12 months), whereas Slovakia has a complex system with different criteria applying to different streams but essentially it limits participation to 18 months in total (through repetitions) and Hungary also allows up to 12 months but with the possibility for re-enrolment.

The nature of the support is far from uniform in the case study programmes: Hungary is at the lower end of the scale (offering a “wage replacement benefit” which can dip below the minimum wage), Slovakia provides a basic top-up to the

minimum income benefit and Austria has a system whereby support is determined at the project level (based on collective agreements).

Table 8 – Key features of PWP case studies

Key features	Hungary	Austria	Poland	Slovakia
Main activities/type of work	Low-skilled physical labour in community infrastructure projects	Low-skilled community projects	Low-skilled physical labour in community infrastructure projects	Low-skilled community projects
Additional/supporting activities	Training is apparently available to (some) participants but in practice this does not seem to be widely applied.	Programme to prepare entrants before they begin PWP and works managers (supervisors, trainers, etc) for each GBP.	Preparatory training and gradual induction into work routine.	The costs of work managers is subsidised but there is no formal training or other supporting activities.
Duration and intensity	1-12 months (depending on programme variant). 4-8 hours/day	6-12 months. Intensity of work depends on the project.	Max. 12 months.	6 months per project with possibility of 2x repetition (max. 18 months). Maximum 20 hours/week.
Eligibility/target group	Jobseekers, especially disadvantaged jobseekers receiving specific benefit	Unemployed persons considered vulnerable or at risk of social exclusion	Unemployed persons considered vulnerable or at risk of social exclusion	Registered jobseekers receiving minimum income benefit
Support/Remuneration	Wage (paid by programme) is set below minimum wage (although variable). Additional support for transport and temporary accommodation.	Wage (GBP jobs are supported in the form of wage subsidies amounting to 66.7% of wage costs (in justified cases up to 100%). Wages are based on collective agreements.	Wage (PES pay up to 50% of average salary being in force on the last day of employment of each considered month and social insurance contributions on refunded remuneration).	Activation allowance (€63 /mth ⁶⁴) paid in addition to the minimum income benefit (€60.5/mth ⁶⁵).
Responsible body	Local PES branch offices	PES, Responsible for GBPs (Non-profit employment projects)	Local PES together with municipalities, NGOs, water companies	Local PES branch offices
Work providers	State, local councils, churches, social cooperatives and certain businesses such as the national rail network	Community groups, local governments, large charitable organisations	Municipalities, NGOs, water companies	Municipalities and self-governing regions, organisations funded or governed by municipalities

⁶⁴ http://www.upsvar.sk/pd/sluzby-zamestnanosti/oddelenie-aotp-obcan/52-prispevok-na-aktivacnu-cinnost-formou-mensich-obecných-sluzieb-pre-obec-alebo-formou-mensich-sluzieb-pre-samospravný-kraj.html?page_id=266743

⁶⁵ (for individual with no children) <http://www.employment.gov.sk/sk/rodina-socialna-pomoc/hmotna-nudza/davky-hmotnej-nudzi/davka-hmotnej-nudzi/>

4.2.2 Comparative costs

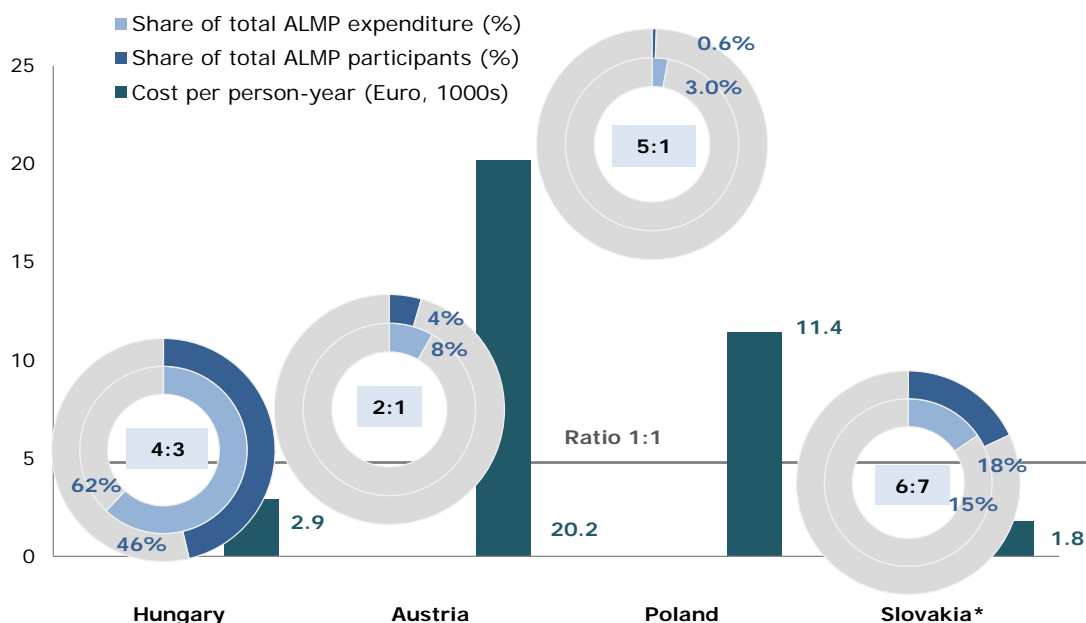
The cost of PWP programmes is clearly a factor that should be taken into account when assessing their effectiveness. Analysis here is based on data from the Eurostat LMP database, which are derived from administrative data at national level.

Costs are considered in terms of the cost per participant year (i.e. the amount it would cost to keep one participant in the programme for 12 months even if the typical duration of the programme is shorter than this). Whilst it is difficult to make meaningful comparisons of such costs between countries because of the different programme designs, the different institutional set-ups (which may influence which costs are actually included in the expenditure reported), the different costs of living, etc. However, the costs per person year for PWP can be considered in relation to typical costs for all LMP measures in the country, which is reflected in the relative balance between the share of total expenditure and participants: an average cost measure will account for the same share of each whilst a relatively expensive one would account for a higher share of expenditure than participants and a relatively cheap one the reverse.

In Hungary and, to a lesser extent, Slovakia the PWP programmes account for a substantial share of total spending on active labour market policies (62% and 15% respectively, Figure 10). The programmes are also relatively cheap, both in absolute terms (c. 2,900 and 1,800 Euros/person-year) and in terms of other LMP measures in the country. In Slovakia PWP accounts for a smaller share of expenditure than participants (ratio 6:7, implying less than average cost) whilst in Hungary the cost is slightly above average but not far (ratio 4:3). In contrast, the PWPs in Poland and, in particular, Austria are of minor importance in overall LMP spending (<10% in both cases) and have substantially higher costs both in absolute and relative terms. The GBP programme in Austria costs over 20,000 Euro/person-year, nearly double the average cost of an LMP measure in the country. In Poland, public works cost around 11,400 Euro/person-year, which is more like five times the average cost.

The cost differences between Hungary/Slovakia and Austria/Poland are, at least in part, a reflection of the extra investment made in the Austrian and Polish cases to prepare and support participants through the programme with the objective of longer-term integration in the open market (see additional/supporting activities in Table 8).

Figure 10 – Comparative costs of PWP, 2011



Source: Eurostat, LMP statistics

*Slovakia: expenditure includes an estimate of the activation allowance paid to participants.

4.3 Findings from evaluations

The European Commission's Communication on the evaluation of EU activities, defines **evaluation** as a "judgement of interventions according to their results, impacts and needs they aim to satisfy"⁶⁶. Since PWP do not necessarily set concrete objectives evaluations of the effectiveness of these programmes can be challenging.

In particular, the objectives of PWP are not uniform and can have **different priorities** across the spectrum of passive to active elements. The PWP in Hungary and Slovakia, for example, are designed more as a mechanism for providing social assistance (i.e. the passive element of PWP) than to improve the employability and longer-term integration prospects of participants (i.e. the active element of PWP). In the Hungarian case, the most basic social benefit has been made conditional on participation in PWP (in line with a workfare model) and in Slovakia participation, which is limited to those in receipt of the minimum income benefit ("benefit in material need"), is encouraged through a benefit top-up (the "activation allowance"), which enables participants to roughly double their income. In contrast, the Austrian and Polish programmes put more emphasis on the active elements and invest in accompanying measures designed to ease the transition into the programme and (hopefully) afterwards into the regular labour market. This absence of a shared motivation underpinning PWP means that they have to be assessed in their own context and according to their particular objectives and design features. The research carried out for this study suggests that there is serious shortfall in this respect as evaluations tend to focus on employment outcomes, which is fine for programmes with an active focus but not necessarily appropriate for those with a passive focus. (See Annex 2 for detailed

⁶⁶ "Evaluating EU Activities A Practical Guide For The Commission Services" (2004)
http://ec.europa.eu/dgs/secretariat_general/evaluation/docs/eval_activities_en.pdf

information about the evaluations that have been carried out on PWP in each of the four case-study countries).

4.3.1 Profile of participants and reaching the target group

The profile of the people that participate in PWP programmes is largely determined by eligibility criteria. In Austria and Poland the case-study programmes target unemployed with particular characteristics such as age, gender, particular disadvantage, etc. On the other hand, in the Slovakian and the short-term variant of the Hungarian PWP, participation is linked to receipt of specific benefits (social benefits for Slovakia, unemployment benefits for Hungary). Such benefits of course have their own eligibility criteria and in the end the characteristics of PWP participants are generally quite similar in that they tend to include groups who are particularly hard to place.

Some of the characteristics of PWP participants (usually compared to all unemployed) referred to in evaluations include:

- low levels of educational attainment (Slovakia, Hungary);
- high proportion of Roma (Slovakia);
- less previous work experience, longer unemployment spells, less motivated and lower employment prospects (Hungary);
- less active in job search (Poland).

The evaluations of the programmes in Hungary and Slovakia include short findings on how the PWP succeeded in reaching the desired target group. The Hungarian evaluation concluded that the PWP had so far managed to reach the most disadvantaged long-term unemployed, with worst employment prospects. However, the evaluation also warned of this achievement being at risk as a result of planned changes which could allow municipalities to be more selective in terms of the participants they take on, which could lead to selection of better educated jobseekers with more skills. In Slovakia, the evaluation results indicate that a third (33.11%) of all eligible social benefit recipients take part in an activation measure⁶⁷.

The Polish evaluation suggests that there is lower take-up of PWP amongst women than men due to the type of work involved (low-skilled, manual labour). Data on the number of new starts (entrants) on PWP in 2011 indeed show that there were generally fewer women than men joining each of the programmes (Austria 44%, Hungary 44%, Slovakia 43%, Poland 40%) but these figures would need to be related to the gender breakdown amongst the full target group in order to see if this is a real effect.

4.3.2 Employment outcomes

Evaluations of the Hungarian and Slovakian programmes conclude that the programmes have little positive effect on the transition to employment of participants; in both cases noting that outcomes are lower than for other LMP measures. In Slovakia, 2011 data show that only 4% of participants were in employment 6 months after participating; moreover, this percentage declined over time, which indicates that these are not sustainable outcomes. The evaluation of the Hungarian programme for the period 2009-2010 found that the proportion of participants who were in non-subsidised employment immediately

⁶⁷ Duell and Kureková, 2013; pg 54,

after leaving the intervention was the same as in the control group (5%); this was the lowest of the four measures evaluated. One year after leaving the programme, the proportion of participants in employment was 2pp lower than the control group. Lock-in effects and elements of disincentives to move into open labour market were identified in the evaluations of both these programmes, whilst they are not found for the Austrian or Polish cases.

In Hungary, the PWP recorded the highest percentage of recurrent participants compared to the other measures studied. The evaluation found that 18% individuals that took part in the programme for the first time state that they are not planning on participating a second time, this falls to 14% after the second programme but reaches just 5% after the third; in other words, the more they participate the less motivated to find any job in the open labour market. In Slovakia, concerns were raised about participants being “trapped” in the programme, and in 2008 a reform put an end to the unlimited possibility of repetition, although this did not seem to entirely solve the problem⁶⁸. Indeed, it is expressed that taking part in the programme seems more attractive in terms of income and stability than the open labour market.

The Polish and Austrian programmes showed employment outcomes that were similar or slightly better than other active labour market measures. The Polish programme had a slightly higher net effect than the programme on internships, whilst for the Austrian it is stated that the programme had beneficial positive impacts on labour force participation like other active labour measures.

4.3.3 Differentiated employment outcomes

Evaluations of LMP measures often use multivariate analysis to look at how employment outcomes are affected by different variables.

The situation of the local labour market is of clear relevance in this respect, though it is not easy to measure this in a single variable. A common variable for analysis is therefore the type of area (e.g. industrial or rural) in which the programme is delivered. In Poland, for example, public works was found to have most positive effects in big urban centres whilst in industrial rural areas it was found to have negative impacts. Conversely, in Hungary the PWP was found less effective in county centres than in small towns and villages where it was found to be more likely for participants to find unsubsidised employment (1.47 and 2.4 times respectively). In Slovakia, two to three times more participants were on the labour market within 6 months if they lived in Western regions or in Bratislava region, a result that is explicitly linked to local employment and unemployment trends.

Whilst the transition effect (i.e. transition into regular employment) was found to be stronger for younger participants (under 25) in Hungary, the Slovakian case found no significant difference in outcomes by age. In Poland, the evaluation indicates that the proportion of participants finding non-subsidised employment after participation is lower for women than for men.

In Hungary, the evaluation broke down results by type of employer and found that local councils were less effective, and large state-owned companies the most effective, in terms of the proportion of participants subsequently finding employment in the open market.

⁶⁸ The demand for participating into the PWP was effectively shifted to the variant contracted by municipalities, with different criteria. See section on Changes in the use of public works over the crisis period, pg 12, or Annex for more detail.

4.3.4 Work habits and skill upgrading

Active labour market policies often aim to improve the employability of participant by developing the skills and knowledge of participants, either through experience (hence, work undertaken) or intended upgrading (review, training). Evaluations of the PWP programmes in Austria and Slovakia include an assessment of their impact in this respect.

The Austrian programme was found to make a positive contribution to skills upgrading. It involves individualised activities in the preparatory phase consisting of skills and competences review and the programme includes training elements.

Evaluation of the Slovakian case is more difficult because of the local autonomy involved which means that there is significant variation in the way that individual PWP projects are implemented. It is difficult to judge, therefore, if there is widespread promotion of working habits and skills upgrading. Nevertheless, on the basis of fieldwork and observations, the authors indicate that the programme has little impact on upgrading participants' skills and competences and it also is not clear whether the programme makes any positive contribution to the improving working habits.

4.4 Factors for success/failure (PWP as an activation tool)

Given that the aim of this study was to consider the PWPs as activation tool, this section considers the factors that influence the success or failure of PWP in terms of helping participants move closer to the open labour market (i.e. active element).

The **context in which the PWP operates** appears to influence the effectiveness in terms of employment outcomes. For the case studies in Hungary and Slovakia evaluations highlighted the differentiated impact of the programme depending on type of locality or region. The socio-economic conditions and labour market context thus, play a role in the success of the programme; factors such as higher unemployment rate and lack of accessibility to services are usually behind such differentiated results.

The **typical profile of PWP participants** – i.e. it is the most disadvantaged individuals who are targeted - makes successful integration extremely challenging, particularly compared with other ALMP measures where participants may have more favourable chances of employment. This issue is commonly referred to in evaluations of PWP effectiveness. For example, administrative data collected by the Slovakian PES reveals that participants in the PWP tend to have lower levels of education than participants in other ALMP. In addition, amongst participants there is high proportion of Roma population⁶⁹, which face an additional challenge towards discrimination and social exclusion.

“Lock in” effect occurs when participants who stay in programmes longer move further away from the regular labour market as time passes. In Hungary, this is a noticeable phenomenon and is attributed to the decreased motivation to find regular work associated with time spent in a PWP. This less proactive attitude may be linked to the guaranteed support received (pecuniary and non-pecuniary) and the relative difficulty of finding work in the open labour market. This is also found in participants in the Slovakian programme where “disincentives to work” are attributed to the fact that work in the open labour market will probably offer

⁶⁹ Exact figures of share of Roma amongst participants are not available, but it is estimated by CoISAF that approximately 80% of participants in the Slovakian PWP have Roma ethnicity.

much more precarious option, the salary being less stable and secure than the activation allowance received in conjunction with the minimum income benefit. In Poland the participants of the PWP seem to display characteristics of low motivation, as survey data showed that they were less active in their job search than participants of other measures.

The multiple disadvantages experienced by typical PWP participants and low incentives to move into a better labour market situation heighten the importance of providing **complementary measures** alongside PWP (such as training and job search counselling). Indeed, it could be argued, that the presence/absence of such additional support makes the difference between an active and a passive measure. The Hungarian and Slovakian cases, in particular, offer very little in this respect. In Hungary evaluations recommend that supplementary services should be provided to low skilled LTU through social workers and job centres. The Slovakian PWP is criticised for not offering any skills development options and it is suggested that some form of training should be integrated into the scheme. Both Poland and Austria do much more in this respect, though this is inevitably reflected in higher costs. In Poland the PES organises preparatory support for participants, including basic training where necessary. In Austria participants can attend up to eight weeks of preparatory training, and there is also funding for works managers (e.g. supervisors and skilled trainers) to provide ongoing support and guidance to participants working in a GBP.

Furthermore, **continued personalised support** is necessary to help participants make the transition into regular work and this is something that is largely missing from all cases. In Slovakia the absence of such support and regular contact (with the PES), as well as the non-individualised task allocation, were identified as areas that should be improved. In Austria, although participants were found to benefit from the programme in terms of self-esteem, they still found it difficult to find work afterwards and it has been suggested that further personalised support to help participants to find their first job could improve results.

Effective monitoring and evaluation of programmes is dependent on the availability of comprehensive qualitative and quantitative data. The more **up-to-date, accurate and accessible data** available, the easier it will be to identify factors of success and/or failure and take action or make recommendations for improvements. In Hungary, since the reforms in 2011, the PES has assumed the role of allocating (and selecting) participants for the public employment scheme so that data are now available through the PES monitoring system. This means that flows in and out of work and PWP can be better monitored than before and there is better data for evaluation. In Austria, the PES has a comprehensive data warehouse that provides all necessary data. Further, participant satisfaction is monitored using online surveys and this provides valuable additional information for evaluation purposes. In contrast, evaluations in Slovakia have criticised the lack of reliable data and a systematic monitoring and evaluation framework. In particular, there is little data on the PWP contracted with municipalities, which is now the most common variant.

4.5 An information gap (the passive element of PWP)

Public works programmes, by definition (see conceptual overview), have active and passive elements and it is clear that there is a substantial difference between the different programmes in place around the EU. Programmes that have a genuine activation objective by providing a transition to regular employment clearly cost more and require greater investment in accompanying measures (training, counselling, etc.) than programmes that have a greater focus on

providing income support, albeit with some reciprocal benefit for the state or local community. In the cases covered here, the Austrian (in particular) and Polish cases would appear to fit, or tend towards, the active model whilst the Hungarian and Slovakian cases are more passive. And yet the evaluations of all programmes are similar, focussing on employment outcomes.

Given that an evaluation should assess impacts against objectives, it has to be questioned whether or not this is really the right approach. Public works programmes have a poor reputation generally in the academic literature on the effectiveness of active labour market policies but is this entirely fair when some of the larger programmes ultimately have little or no focus on improving the long-term outcomes for participants? Indeed, as mentioned above, it could be argued that public works programmes that offer income for work without any accompanying individualised support for participants should not be considered as active measures at all. That does not mean, however, that there is no place for such programmes in today's society. Rather than dismissing them as useless because of poor employment outcomes, different types of assessment need to be undertaken to determine if they have any real value, for example in terms of community benefits.

In other words, evaluators should look more closely at the real objectives of the programmes and tailor their assessments accordingly. For example, where public works target benefit recipients and offer an opportunity for them to increase their income (e.g. Slovakia) this can be a real incentive for people to participate but at the same time motivation for the work is typically very low. This raises many questions: if the incentive is high despite low motivation then what does this imply in terms of the adequacy of the previous benefit; workers with low motivation are likely to have low productivity so would it be more cost-effective to employ fewer (motivated) people on a more formal basis; to what extent is work being created simply to satisfy demand for PWP; etc. In other cases, PWP may be used primarily to tackle undeclared work (e.g. Malta) or as test of willingness to work (e.g. Nysa local office in Poland – see Box 1 in case study) and, again, their effectiveness might be better assessed against these objectives than against final employment outcomes for those who did agree to participate.

5. Concluding remarks

The study set out to look at how PES can make public works programmes (PWP) more effective as an activation tool, an objective that was stimulated by the fact that such programmes are widely used but are often considered as ineffective in evaluations. By definition, PWP have both **active and passive** components and in reviewing the different programmes that exist across the EU it is clear that the balance between these varies considerably depending on the main objectives and that it is important to **differentiate programmes accordingly**.

In cases where PWP are primarily focused on delivering income support, albeit in return for work that is typically of community benefit, their relevance as an activation tool would appear to be extremely limited. In fact, in cases where longer-term integration of participants is not a specific objective that is backed-up with appropriate individualised support throughout the placement period then there is some justification for treating these as social policy measures and not as active labour market policy. In which case, any assessment of their value or effectiveness should be made accordingly.

Existing evaluations have tended to focus only on activation aspects, particularly employment outcomes, which are not necessarily consistent with the real objectives of the programme. For certain, there are improvements to be made even to the “passive” type programmes in terms of improving the motivation, productivity and overall value of the work experience for participants as well as coordination between PES and work providers (typically municipalities), but at the same time, assessment of their merit (as social rather than activation policy) needs to be made on a more appropriate basis than has been the case to date. Indeed, there is a notable information gap in this respect and there is a need for comprehensive cost-benefit analysis to see if public works are an effective means of delivering inclusive benefits.

That being said, we return to the issue of PWP as an activation tool and what can be done to improve effectiveness. The review of different programmes and evaluations brings out four common areas that need to be addressed:

5.1.1 Selection of projects and organisation of work

Evaluations of PWP have suggested that the work undertaken can significantly influence the motivation of clients to participate and their self-esteem and hence the chances that they will benefit from the experience in terms of improved employability. The work should be worthwhile and meaningful – i.e. not just created simply to occupy public works participants but with some real purpose, whether that is to directly benefit the local community or to contribute to a wider cause, such as a major national infrastructure project. PES and work providers should work together to ensure that participants are informed of the purpose of the work they are assigned to and made to feel that they are contributing to something useful.

This is relevant also to the effectiveness of public works in terms of social inclusion. Projects with tangible benefit to the local community can help to counteract some of the stigmatisation that is sometimes associated with participation in public works – see, for example, the case of Roma in Slovakia.

The type of work provider selected may be relevant – evidence from Hungary, for example, showed that employment outcomes were significantly better from projects organised by large state owned companies than from local councils. This is liable to reflect a combination of factors such as the working culture and working practices and the types of work done, as well as more subtle effects linked to the reputation of the employer on both the motivation of participants

and the value of the experience as perceived by potential future employers. It should not mean that the allocation of public works projects should be restricted, rather that lessons should be learnt from the more successful projects and applied across the board where possible. Here, the PES could have an important role, observing through close collaboration with providers what aspects of the implementation appear to contribute to the success of projects (in terms of boosting employability) and advising accordingly.

Public works projects should be selected not only on the basis of the work to be undertaken but also on the basis of how they will contribute to the longer-term integration of participants. To this end, PES should establish **minimum requirements for projects** to be considered and work with, or provide guidance to, potential work providers at the design phase in order to ensure that an appropriate package of support for participants is built in to the project design.

5.1.2 Cooperation between PES and work providers

In some PWP the role of the PES is largely administrative – they may have responsibility for selecting or approving the projects to be undertaken and for referring unemployed workers but thereafter have little or no interaction with either the work providers or individual jobseekers. In the case that PES have primary responsibility for the integration of jobseekers (i.e. recognising that in some cases municipalities might have this responsibility) then there should be close cooperation between PES and the work providers to facilitate ongoing dialogue about the progress of the project as a whole and the situation of individual participants.

On a project basis, such dialogue should facilitate improved planning (e.g. by reviewing current and projected demand for workers with different skills) and identify any actions required to improve implementation. For example, PES and providers should review operational issues and assess whether or not it is necessary to take steps to improve motivation/productivity and how this can be achieved. Work providers would have direct input from their experience of managing the workers provided whilst PES should have feedback from their clients as to how the placement is working.

On an individual basis, PES should be getting feedback from the work provider as to how each of their clients is faring and, in particular, whether there are any issues that need to be addressed.

5.1.3 Selection of participants and allocation to appropriate tasks

Participants for public works projects are often selected on the basis of their status as benefit recipients or the duration of their unemployment spell and then referred rather indiscriminately to the work provider – i.e. without consideration of whether they are suited to the work required. Although it is recognised that many PWP involve low-skilled manual labour without any significant demand for particular skills, where it is relevant and possible to do so then more attention should be paid to **personalising the opportunities on offer** and placing people in jobs that will be of some benefit to them. This might mean placing people in positions where they can exploit existing skills/experience and therefore feel more useful and be more productive, something that can be boosted further if they are given the opportunity to guide/mentor others, or using the opportunity to develop new skills (for which some training or mentoring should be provided). This process of personalisation requires close collaboration between PES and work providers.

It has been suggested that going too far in this direction could be a negative step: allowing work providers to screen participants and select only those that

they feel are best suited to the planned tasks (including through motivation as well as skills/experience) could lead to creaming and exclusion of the most vulnerable participants. Here, there is certainly a balance to be struck and there needs to be a clear consensus between PES and work providers as to where that balance should be in order to ensure that any selection process is consistent with the objectives of the programme.

5.1.4 Accompanying measures, ongoing support and transition planning

One of the main criticisms of public works programmes is that they end up being dumping grounds where the most vulnerable and hardest-to-place participants are placed and, apart monitoring of attendance and basic supervision, largely left to their own devices. In practice there is little real belief from the side of either PES, work provider or participant that the experience will represent a period of transition to the open labour market. There is no training to help them learn the job required, no ongoing support or contact from the PES and no guidance aimed at helping them make the transition to regular work afterwards. PWP without a comprehensive package of support surely cannot have any serious ambition of longer-term integration.

PES and work providers need to work together to develop a **package of support** that makes the work experience on offer worthwhile for participants. This should start before placement (preparatory measures) and be continued throughout the placement as appropriate to the needs of each individual. Preparatory measures might include a review of skills and competences and preparatory training. In Austria, for example, a period of up to 8 weeks preparation is possible.

The provision of **training** can make a significant difference not only to the personal development of participants but also to productivity and therefore to the value of the work done, the benefit to the community, etc. It does not, however, have to imply major costs if the funds are not available – it should be possible to organise informal on-the job training and mentoring and this can even be achieved using participants with the relevant skills and experience. It is, therefore, largely a question of effective project management and work organisation.

Public works aimed at integration of participants should always be seen as a transitory stepping stone to regular employment. Therefore, PES should **treat participants as active jobseekers throughout participation** and keep them in mind as potential candidates for suitable jobs. There should be **regular contact between PES and participants**. This contact should be used to review progress and identify any issues that need to be addressed in terms of work organisation, which can be used as feedback to the work provider, but also to discuss and plan both current and future job-seeking activities.

Indeed, **planning progression to the regular labour market** is a crucial element of support that is missing from most PWP and is weak even some of the more successful programmes that do offer ongoing support. In Ireland, for example it has been noted that outcomes of the Community Employment scheme might be improved if job-search assistance and progression planning were more consistently provided to participants in advance of their scheduled exit⁷⁰.

⁷⁰ Department of Social Protection, *A Review of Department of Social Protection Employment Support Schemes*, November 2012.
<http://www.welfare.ie/en/downloads/Review%20of%20Employment%20Support%20Schemes.pdf>
(p.42)

5.1.5 Monitoring and evaluation

The need to implement comprehensive monitoring of government interventions in order to promote evidence-based programming and ensure effective use of public money should not need repetition. Nevertheless, monitoring and evaluation themselves cost money and cutbacks in public finances mean risk that these elements of programme costs are cut ahead of direct costs that benefit participants. All we can do here is reiterate the need to implement comprehensive monitoring of all interventions and ensure that there is sufficient data available to undertake appropriate assessments of their effectiveness.

In relation to public works programmes there are two main areas for improvement. One is in relation to basic monitoring data on participants. In some cases evaluators bemoan the shortage of appropriate data on which to base assessments. The main risk in this respect relates to what happens after hand-over – i.e. after participants are referred by the PES to the work providers, particularly municipalities. There needs to be an ongoing exchange of information between PES and providers and registers kept up to date accordingly.

The second relates to evaluations and the assessment of impact against objectives. Here, there is an information gap in respect of PWP programmes that are not entirely focused on fostering a transition to regular employment - for example, where programmes are primarily used to test willingness to work or to tackle undeclared employment. Here success (or otherwise) may be better measured in terms of numbers of people removed from the benefit register and the costs saved as a result rather than the numbers progressing to regular employment afterwards. In other words evaluations need be better linked to programme objectives. Assessments that link impacts to the real objectives of the programme might, in some cases at least, paint a rather different picture of the effectiveness of public works schemes than is currently the case.

Annex 1: Names of PWP programmes in English and national language

Country	Intervention name in English	Intervention name in national language
BE	Transition to work scheme	Programme de transition professionnelle (FR), Berufliche Übergangsprogramm - BÜP (DE)
BG	Welfare to work	Национална програма "От социални помощи към осигуряване на заетост"
CZ	Public works programme (VPP)	VPP - veřejně prospěšné práce
DE	Community service jobs	Arbeitsgelegenheiten
DE	Model project "community work"	Modellprojekt "Bürgerarbeit"
EE	Public work	Avalik töö
IE	Community employment scheme	Community employment scheme
ES	Direct job creation	Creación directa de trabajo
FR	Single inclusion contract (CUI-CAE)	Contrat unique d'insertion (CUI-CAE)
FR	Contract for the future (CAV)	Contrat d'avenir
FR	Employment assistance contract (CAE)	Contrat d'accompagnement dans l'emploi
IT	Socially useful work	Lavori socialmente utili (LSU)
IT	ESF Co-financed actions 2007 -2013 - public utility works	Azioni cofinanziate FSE 2007-2013 - Lavori di pubblica utilità (Lpu)
LV	Work practice in municipalities	Arpīcība darba iemaņu iegūšanai, ja darba devējs ir pašvaldība
LT	Public works	Viešieji darbai
LU	Socially useful works	Mise au travail des chômeurs (OTI)
LU	Temporary compensated appointment	Affectation temporaire indemnisée
HU	Public Employment	Közfoglalkoztatás
MT	Community work scheme	Community work scheme
AT	Socio-economic enterprises (SÖB) and non-profit employment projects (GBP)	Sozialökonomische Beschäftigungsbetriebe (SÖB) und Gemeinnützige Beschäftigungsprojekte (GBP)
PL	Public works	Roboty publiczne
PL	Socially useful work	Prace społecznie użyteczne
PT	Employment scheme for persons in receipt of unemployment benefits	Programa ocupacional para subsidiados / Contrato Emprego-Inserção
PT	Employment scheme for persons in need	Programa ocupacional para desempregados em situação de carencia económica / Contrato Emprego-Inserção +
RO	Temporary employment	Ocuparea temporară
SI	Public works	Javna dela
SK	Contribution for activation activity in the form of minor communal services performed for a municipality	Prispevok na aktivacnu cinnosť formou mensich obecnych sluzieb pre obec alebo formou mensich sluzieb pre samosprávny kraj
HR	Public works	Javni radovi
FI	Temporary government employment	Valtion työtehtävät
FI	Employment subsidy, municipalities	Kunnallinen työllistämistuki
FI	Rehabilitative work experience	Kuntouttava työtoiminta

Source: Eurostat, LMP Qualitative Reports

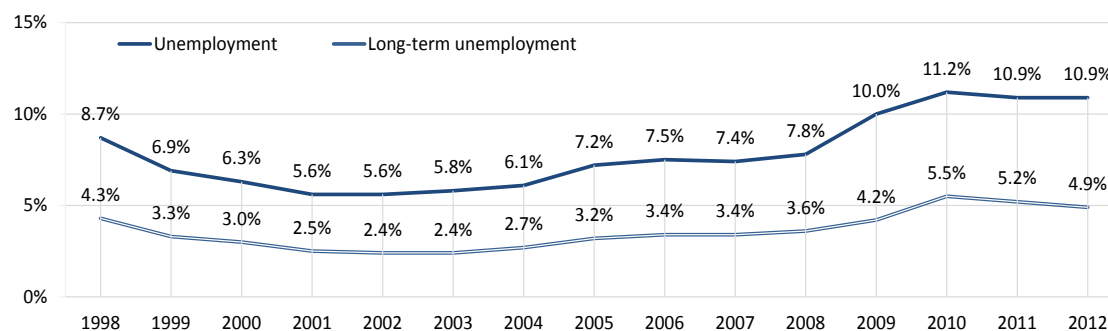
Annex 2: Case studies

Hungary: Public works

Background

PWP of different forms have been available to job centres in Hungary since 1987 and to local authorities since 1997. Generally they have been designed to prevent the loss of skills and work habits of the unemployed, as well as to test their willingness to work⁷¹. Unemployment emerged as significant problem in Hungary following the transition to a market economy in the early 1990s with the level of long-term unemployment, in particular, remaining stubbornly high (fluctuating around the 3-4% mark between 1998 and 2009 but reaching a high of 5.5% in 2010 compared to an average of 3.9% across the EU; Figure 11). PWP were meant to tackle these phenomena.

Figure 11 – Unemployment rates in Hungary, 1998-2012 (% active population)



Source: Eurostat, Labour Force Survey

In 2001 responsibility for the provision of unemployment assistance in Hungary was devolved to local government and the focus of PWP became more geared towards testing willingness to work. The range of possible roles which could be undertaken as part of PWP grew, as did their importance. Unemployment benefits were made conditional on at least 30 days work in a PWP scheme (unless the local council or job centre was unable to organise a suitable scheme). "Claimants were required to cooperate with the local council or a designated service (typically the family counselling service or the job centre), sign on as unemployed, visit their advisor on a regular basis, report any changes that may affect eligibility and take part in employability programs."⁷²

The *Road to Work* (*Út a Munkához Program* or ÚMP) scheme was launched in 2009, coinciding with the onset of the economic crisis and a surge in the rate of unemployment from 7.8% in 2008, to 11.2% in 2010 (Figure 11)⁷³. The programme made substantially more funds available to local councils for PWP with the result that 84% of spending on active labour market policy measures went on the various PWP schemes available in that year⁷⁴. This was not necessarily a widely appreciated policy move, with writers from the Budapest

⁷¹ Fazekas, K & Scharle, Á eds., (2012), p.62.

⁷² Köllő, J. & Scharle, Á. (2012), p.125.

⁷³ This scheme is recorded as "Public purpose employment" in Eurostat, Labour market policy statistics, Qualitative report, Hungary (2009 and 2010).

⁷⁴ (excluding EU funded projects). Budapest Institute (2011), p.2.

Institute of Policy Analysis noting that: "one of the paradoxes of Hungarian employment policy is that, while the relevant literature considers public works (and especially large-scale public works) to be one of the least efficient active labour market policies, in Hungary its volume had increased dramatically by 2009–2010"⁷⁵.

The ÚMP scheme has been described as "virtually an extension of existing public works programs"⁷⁶ and indeed, its legal basis was derived from Acts passed in 1993 and 1996⁷⁷. The main objectives of the programme were: "to improve the labour market situation of benefit claimants, reduce work disincentives of the benefit system and increase employment level"⁷⁸. Further objectives, included: creating new public sector jobs which would provide long-term work opportunities and improve collaboration between social and employment services⁷⁹. A recent study proposes that politics had a significant role to play in the expansion of public works following the onset of the economic crisis: "decisions about the public works schemes were not taken after consideration of evidence-based alternatives: they were based on political considerations outside the scope of employment policy"⁸⁰.

The ÚMP programme was discontinued in 2010 following a change in government⁸¹ and replaced with a new scheme ("Közfoglalkoztatás" or Public Employment – the focus of this case study), which was introduced as part of broader changes to the delivery of benefits, such that cash benefits are now conditional on participation in a PWP. Unemployment assistance was abolished from September 2011⁸² and "what remains is a restructured social assistance system which is now essentially based on public works"⁸³. The current Public Employment scheme thus fulfils the twin objectives of providing income support to those in need whilst also activating the unemployed⁸⁴. The remuneration for public works is set at a special minimum wage⁸⁵, which is lower than the national minimum wage in the open labour market - partly to motivate participants to seek a regular job but also because additional support is available⁸⁶ (e.g. to cover the costs of commuting and temporary accommodation if the work is undertaken in a remote area).

The basis for the current PWP (Public Employment) is set out in government regulation of 31 December 2010 and a series of subsequent amendments⁸⁷.

⁷⁵ Fazekas, K. & Scharle, Á eds. (2012). p.84.

⁷⁶ Köllő, J. & Scharle, Á. (2012), p.123.

⁷⁷ "Act III of 1993 and 6/1996 (VII.16) MüM regulation" (as per Eurostat, LMP statistics, Qualitative Report, Hungary, 2009 and 2010).

⁷⁸ Szűcs (2009) in *ibid*, p.125.

⁷⁹ "Some further benefits of the program were also envisaged by the Government, such as reducing the number of working age people claiming social assistance, improving the time-use of job centres, enhancing the efficiency of partnerships between local councils, family counselling services and the public employment service, increasing the number of work-ready jobseekers, better targeting of employment assistance and improving the employment situation in the most disadvantaged small regions." *Ibid.*, p.126

⁸⁰ Fazekas, K. & Scharle, Á. eds. (2012), p.87.

⁸¹ WEESP, European Commission (Hungary)

⁸² Ladányi, T., Kierzenkowski, R. (2012)

⁸³ European Employment Observatory Review, European Commission (2011), p.30.

⁸⁴ *Ibid*

⁸⁵ Although as per the Eurostat, LMP statistics Qualitative Report for Hungary (2011), this can vary depending on the qualification level of the participant

⁸⁶ European Employment Observatory Review, European Commission (2011), p.30.

⁸⁷ Regulation: "A Kormány 375/2010. (XII. 31.) Korm. Rendelete a közfoglalkoztatáshoz nyújtható támogatásokról". An up-to-date version of the regulation (i.e. including amendments) is available at http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A1000375.KOR and the original legal document is retrievable from <http://www.magyarokozlony.hu/lap->

Design and implementation of the programme

Programme types

The National Public Employment Programme, introduced in 2011, is a single programme with three PWP variants⁸⁸:

- short-term public works (most important variant): organised by municipalities, churches or civil organisations following application to the local employment office; offers part-time work (4 hours/day) for up to 4 months;
- long-term public works: also organised by municipalities, churches or civil organisations following application to the local employment office; programmes aim at developing basic services or undertaking local projects of public interest and last 2-12 months with 6-8 hours/day of work;
- nationwide public works programmes: projects aim to tackle national issues (e.g. sectoral problems) or large infrastructure developments and are put out to competitive call for tender by the relevant ministry; projects last up to 12 months with 8 hours/day of work.

The legislation also allows for employment of people receiving wage replacement benefits by private enterprises, however this is not really PWP according to the definitions used here (rather it is a regular employment incentive measure) and is not considered further here. Under this option, employers can get a subsidy of up to 70% of wage-costs for up to 8 months provided that they keep the person employed for at least half the time again after the end of the subsidy period.

The work involved in the three PWP variants is generally low-skilled physical labour in community infrastructure projects. For example:

1. Agricultural projects, e.g. animal farming, crop cultivation or both
2. Maintenance of dirt roads used for agricultural purposes
3. Drainage
4. Clearing up illegal landfill sites
5. Organic and renewable energy production (for example switch over to bio boilers, the production of grass, shrub and log briquettes, etc.)
6. Maintenance of public roads
7. Seasonal and other “meaningful” employment (for example preservation, drying and pickling of vegetables and fruits, maintenance of local council buildings, etc.)⁸⁹.

Targeting and eligibility

The two main types, as per the Eurostat, Labour market policy statistics qualitative report for Hungary (2011), are the short term and long-term variants

kereses?utf8=%E2%9C%93&filters%5Byear%5D=2010&filters%5Bmonth%5D=12&filters%5Bserial%5D=&commit=Filtration

⁸⁸ National Ministry of Economy (2011) and <http://www.kormany.hu/hu/gyik/amit-a-kozfoglalkoztatasi-tudni-kell>

⁸⁹ Busch, I., Cseres-Gergely, Z. & Neumann, L. (2013), p.282.

of the programme in which the work is provided primarily by municipalities, churches and NGOs. Eligibility for the programmes is based on eligibility for the wage replacement benefits ("Foglalkoztatást Helyettesítő Támogatás" - FHT) but, for the longer term PWP, is open to all jobseekers⁹⁰. Persons eligible for the FHT are disadvantaged jobseekers (e.g. those with, at most, secondary level education, aged less than 25 or above 50, who have been registered unemployed for at least six months, among others)⁹¹. The regulation also states that persons with "changed working abilities", i.e. disabled persons, are eligible. Participation in the Public Employment programme is a condition for eligible unemployed persons to receive the wage replacement benefit.

Organisation of programmes

From July 2011, overall responsibility for organising the Public Employment programme fell to the Ministry of Interior, whilst the employment service is responsible for administration at the local level (contracting and paying employers and employees). The National Employment Service (NES⁹²) was reformed in 2011 such that there are now three levels:

1. national level: the national employment office
2. county level: labour centres of government offices (20, 7 with special authority)
3. local level: branch offices (170 and 4 service delivery centres)⁹³

The labour centres (county level) are in charge of tasks related to budget appropriations of public works and branch offices (local level) are responsible for organising the service⁹⁴. Employers include the state, local councils, churches, social cooperatives and certain businesses (such as water companies, those dealing with forest management and the national rail network)⁹⁵.

PES role in the programme

The National Employment Service has responsibility for approving (competitive) applications for PWP supported projects and for allocating jobseekers to these projects. It also undertakes a monitoring function using a custom monitoring system that has been used to measure the outcomes of labour market policies annually since 1994. This is new for the Public Employment programme. Previously, when responsibility for selecting workers laid with municipalities there was no data for PWP on the PES system⁹⁶. Now the PES monitors participation in PWP, re-entries to the unemployment register and to a more limited extent, subsequent job entries.

Effectiveness and evaluation of the programme

A number of evaluations of previous PWP in Hungary have been carried out at various points. These include: O'Leary (1998) who analysed the effectiveness of public works schemes over a decade ago and a similar, more recent, analysis by

⁹⁰ Eurostat, LMP statistics, Qualitative Report, Hungary 2011, p.23

⁹¹ Full list available here: <http://www.kormany.hu/hu/gyik/amit-a-kozfoglalkoztatasirol-tudni-kell>

⁹² Renamed in 2011 (no longer PES)

⁹³ "The current Labour Market situation in Hungary and the new service structure of the Employment Service" (January, 2011). Available at:

http://en.munka.hu/engine.aspx?page=en_full_afsz_en_main_char_hpes

⁹⁴ Busch, I & Cseres-Gergely, Z. (2012), p.217-218.

⁹⁵ Busch, I & Cseres-Gergely, Z (2012), p.196.

⁹⁶ Csoba, J. & Nagy, Z. É. (2012), p.96.

Csoba & Nagy in 2010, and an evaluation of the Road to Work Programme by the Budapest Institute and Hétfa. **None of these studies found a positive employment effect over the studied period.**

In fact, detailed impact analyses on public works suggest that increased expenditure on such programmes does not reduce – and may even slightly increase – long-term unemployment⁹⁷.

Evaluation methodology and sources of data

The main evaluation used in this study - The Evaluation of Training, Wage Subsidy and Public Works Programs in Hungary by Csoba, J. & Nagy, Z. É. (2012) - uses multivariate analysis with a control group to investigate a range of outcomes and longitudinal changes (over a 12 month period) using administrative data supplemented with in depth questionnaires (carried out over six month period). Although the period of evaluation (2009-2010) refers primarily to the ÚMP, the predecessor of the current public works programme, many observations remain salient for the programme introduced in 2011.

The sample covered 1,041 participants of active labour market programmes, of which 547 or 52% were PWP participants (the others participated in training or subsidised employment programmes) and a control group of 1,068 eligible registered unemployed who had not “self-selected” for participation in an active measure. An inherent difficulty with the study was that the administrative data did not provide enough information on the labour market characteristics of participants prior to entry into the programme⁹⁸.

Main programme results

It is noted that “None of the regulations and documents setting out the aims of public works programs makes an explicit reference to the objective of open employment”⁹⁹. Although clearly, improving the labour market situation of participants is a primary goal.

Immediately after participation in a PWP, only 5% of participants were in regular employment (the same as in the control group) cf. 72% of those who partook in subsidised employment, and 12% of those who partook in training measures giving credence to the argument “that the probability of open employment is similarly low in the two groups” which have been found to have “less favourable socio-demographic indicators, less motivation and worst employment prospects” (Table 9)¹⁰⁰.

⁹⁷ Fazekas, 2001; Köllő and Scharle, 2011 in Fazekas, K. & Scharle, Á eds. 2012.

⁹⁸ Kézdi, G. (2012) p.46.

⁹⁹ Specifically: “At the time of the research municipal public works were regulated by Article 36 of Act 3 of 1993 on Social Administration and Social Provisions. The aims and the subsidies available for communal public works were set out Article 16/A of Act 4 of 1991 on the Promotion of Employment and Provision of Unemployment Assistance and Article 12 of MoL regulation no. 6/1996. (16. 07). Centrally organised public works projects were regulated by Government regulation no. 49/1999 (26. 03).” from “4. The Evaluation of Training, Wage Subsidy and Public Works Programs in Hungary” by Csoba, J. & Nagy, Z. É. in *The Hungarian Labour Market 2012*, eds. Fazekas, K. & Kézdi, G., p.117.

¹⁰⁰ Csoba, J. & Nagy, Z. É. (2012), p.105

Table 9 – Employment status of ALMP participants and the control group immediately after intervention (%)

Status	Training	Wage subsidy	Public works	Control group*
Employed (not subsidised)	12	72	5	5
Employed (subsidised)	4	0	7	1
In training	0	0	1	0
Unemployed	83	25	87	89
Other inactive	2	3	1	5

Source: Csoba & Nagy (2012) * March 2010

The 12 month follow-up found that 32% of the PWP participants were in employment at that time – a lower proportion than in the control group (37%) or amongst those that had been in training (38%) or in a wage-subsidy programme (80%). Moreover, the vast majority of these were in some form of subsidised work (including PWP) so that only 6% of the original PWP participants were in regular jobs 12 months later. The transition to work (regular or subsidised) happens mostly in the first six months: 21% of PWP participants found work in the first 3 months, a further 8% within 4-6 months, 2% within 7-9 months and 1% within 10-12 months.

Mid-term results from the 2010 study indicated that 23% of PWP participants had taken up employment with six months of participation compared to an equivalent figure of 25% in a study conducted in 1997¹⁰¹.

Table 10 – Situation of participants at the end of the 12-month observation period (%)

	Employed		Not employed	Status missing	If employed, how long did it take to find first job in the open labour market? (months)			
	Total	Of which, subsidised			0-3	4-6	7-9	10-12
Training	38	14	60	1	29	7	2	0
Wage subsidy	80	4	20	-	75	3	2	0
Public works	32	26	62	6	21	8	2	1
Total ALMPs	41	17	56	3	31	7	2	
Control group	37	5	63	-				

Source: Csoba & Nagy (2012)

In terms of targeting, the study found that participants of PWP had “less favourable demographic characteristics and lower levels of education ... than registered job seekers” i.e. they tended to be older, less well-educated and they typically carry out unskilled physical labour (something that has been unchanged for years). This is probably, at least in part, linked to the eligibility criteria for the selection of participants; we know that “the element of coercion is considerably stronger in public works than in wage subsidy programs and this also impacts their effectiveness” just over half (55%) of PWP participants said they volunteered to participate compared to two thirds for wage subsidy programmes and training (65% and 67% respectively); whilst over a quarter (27.9%) of participants were approached by the labour office.

The level of regional development and the type of job had an impact on the duration of participation in PWP such that participants in more developed regions tended to participate longer (8.6 months in most developed regions; 8.4 months

¹⁰¹ Ibid., p.106 and p.108.

in areas of average development and 7.9 months in the most deprived regions). The type of work undertaken also had an impact on the duration of participation: in non-administrative positions the average length of participation was the longest at 9.7 months, falling to 8.5 months for administrative white-collar positions, but was lowest for blue-collar positions (6.9 months).

Strengths and weaknesses

The transition effect (i.e. transition into regular employment) was found to be stronger for younger participants (i.e. under 25) compared to those between 36 and 45. However, it is important to bear in mind that the older age group made up a larger proportion of the participants and based on their replies to the questionnaire seem to use PWP as a kind of seasonal employment option which they undertake repeatedly. Those in the 45+ age group – of which there were not many participants – were found to be even less likely to find work following participation.

The likelihood of a participant finding work on the open labour market was found to increase in certain localities: county centres appear to be the least effective at promoting transition, followed by small towns (1.47 times as likely) but the effect is greatest in villages (2.4 times as likely).

The study also found that effectiveness varied by the sector of the employer. On average 5% of participants gained employment on the open market but the figure is 3% for local councils, 5% for non-profit organisations, 8% for state-owned companies and 17% for large state-owned companies. Companies operating in either market or quasi-market conditions tend to be more effective than the public sector because the focus is on temporary work and income and not the transition effect. *NOTE: the current legislation specifically exempts profit-orientated, market and profit-orientated work; although certain companies are allowed to apply for public works (e.g. forestry, railway...)*¹⁰².

One of the findings of the interviews carried out was that “those who managed to secure an inactivity-related benefit did not wish to return to public works” from which the following inference is made: “public works are not attractive enough in terms of income potential, prestige or any other factor to motivate inactive benefit recipients to return to work”¹⁰³. It is still true that the design of the current programme is such that the income potential is kept very low through a special minimum wage (lower than the national minimum wage) which applies only to PWP.

Perhaps the key finding of the study was the extent of the lock-in effect of PWP: the job finding rate falls substantially following participation in PWP but more than half of participants are recurring participants and “the more often people return to public works the less motivated they become to find a job on the open labour market”¹⁰⁴. Specifically, participation in a third public works programme is identified as ultimately ensuring the lock-in effect in this study. The study reports that after the first public works programmes 18% of participants report that they are not planning on participating a second time, this falls to 14% after the second programme but reaches just 5% after the third.

¹⁰² <http://www.kormany.hu/hu/gyik/amt-a-kozfoglalkoztatásról-tudni-kell>

¹⁰³ Csoba, J. & Nagy, Z. É. (2012), p.199

¹⁰⁴ Ibid.

Recommendations

The study does not provide any explicit recommendations, however other studies have. For example, a study on “The efficiency of municipal public works programmes” conducted by the Budapest Institute (2011) used administrative data and regression analysis to look at the targeting, take-up, and effect of the ÚMP on LTU. It was found to reach LTU with low skills levels and poor chances of employment (however for those living in remote areas take up was less common) as planned. Ultimately, however, the study finds that supplementary services were weak and that ÚMP (as well as prior programmes) were not able to successfully re-integrate LTU into the labour market. It therefore recommends that more emphasis is placed on strengthening supplementary services through greater involvement of social workers and job centres. In addition, it suggests that resources are directed to programmes which have been found to be effective.

According to Fazekas, K. & Scharle, Á eds. (2012) a literature analysis of previous studies covering previous systems (although many findings are still relevant today), focus on the effectiveness of the local authority and their role. The studies find that plans were not analysed/scrutinised, rather the only focus was on number of participants not implementation or output or from a financial/professional perspective, and no monitoring system was established (Péter, 2009; cited by Frey, 2009: 213 and Scharle, 2011). Furthermore, short-term interests and labour force needs of local governments drove the organisation of public works (according to reports by the State Audit Office, ÁSZ, 2002; 2007). An analysis of PWP plans by Udvardi and Varga (2010) found they lacked a situation analysis and a long-term strategy to improve the situation of unemployed participants. Finally, according to Card et al. (2010), counselling, monitoring and wage subsidy are effective measures, while the direct creation of jobs in the public sector (public works schemes) is clearly a failed programme type¹⁰⁵. What these observations indicate is that the use of PWP for purposes other than to actually support those who participate can damage their prospects of getting work and thus, that the design of the programmes is crucial in ensuring their effectiveness.

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Austria: Non-profit employment projects (Gemeinnützige Beschäftigungsprojekte – GBPs)

Background

In Austria, non-profit employment projects (*Gemeinnützige Beschäftigungsprojekte – GBPs*) date back to the early 1980s. GBPs produce goods or provide services which are of public interest. The Austrian PES (Arbeitsmarktservice or AMS) has overall responsibility for GBPs, but projects are mostly launched by communities, local governments or big charitable organisations; some GBPs are run by independent legal entities.

The main goal of the programme is to integrate disadvantaged groups into the labour market, but also to support people laid off from public enterprises, as was the case during the 1990s, in particular with the closing-down of iron ore mines. In the context of the economic crisis the use of GBPs has been intensified with the launching of the so-called “Aktion 4000” in 2009. The aim of the programme was to create employment opportunities in the public and non-profit sector for long-term unemployed or those in danger of becoming long-term unemployed.

The current legal basis of the GBPs is the Federal PES guideline, BGS/AMF/0772/9965/2011, in force since 1 July 2011.

Design and implementation of the programme

GBPs aim to integrate disadvantaged groups into the labour market. The provision of sheltered fixed-term jobs is intended to promote the sustainable (re-) integration of people who are hard to place in the job market (i.e. requiring employability assistance). The programme targets unemployed workers facing special employment difficulties, for example: long-term unemployed, disabled people, young people who are socially disadvantaged, women above 45 and men above 50, women who have previously taken maternity leave, and other groups such as homeless people, people with substance abuse problems and released prisoners, etc.

In the past couple of years 5-6 thousand persons participated in the GBP programme, of which more than half were men.

Organisations implementing GBPs receive financial support for personnel and material expenses. The support is provided in the form of wage subsidies amounting to 66.7% of the wage costs for transit/temporary employees (*Transitarbeitskräfte*) and 100% for works managers (project management, skilled trainers and supervisors and social workers assisting project participants). Overheads and the costs of project preparation are also covered. GBPs receive funds from the PES budget and the ESF (funding reserved for employment and skills development schemes). Co-funding by provinces (Länder) and local governments (municipalities) is also possible.

Prior to entering an employment relationship with a GBP, participants may attend preparatory programmes including individual skills and competences review, training (i.e. work experience, specific training, skills development, etc.) and support measures to promote their health. Financial support for the participants during the preparatory period, which can last up to 8 weeks, is provided in the form of subsistence allowance (*Deckung des Lebensunterhaltes – DLU*).

The project leader at the organisation responsible for the GBP is required to provide a “counselling report” for each participant for the Austrian PES which details whether or not the specified objectives for that worker could be achieved or not.

Participants can take part in the programme for a maximum of twelve months. However, extension is allowed in certain cases, for example, unemployed persons who are close to retirement age (within 3.5 years) and with no formal job prospects may remain with GBPs until retirement.

The types of jobs created involve tasks like maintaining parks and green spaces, cleaning, transport services (moving house), scrap and junk recycling, wood and metal processing, household and home services. The remuneration of employees is set in accordance with collective agreements determined for each sector (special agreements for individual target groups can also be agreed in some cases). All GBPs are required to outline a care plan which involves provisions for supportive measures. This enables transit workers, as they are known, to receive complementary support during their participation to improve their performance and employability on the job and thereafter. Support may take the form of counselling, training and other supportive measures like pedagogical care. GBPs are also required to ensure that training is provided by qualified professionals with experience and competence dealing with persons with complex needs.

Evaluation

Monitoring and control is performed directly by the AMS data warehouse (DWH), which allows for the comprehensive monitoring of the characteristics of participants (gender, age, education) and main indicators (number of participants in the programme, foundation rate, labour market success, costs per participant, costs per day, etc.). The DWH data collection also includes qualitative information about participant satisfaction (online survey in German and nine other languages).

A first external evaluation by Lutz and Mahringer (2005), analysing several types of active labour market policy measures, shows a beneficial impact on labour force participation of all programmes (including GBPs) and concludes that 'active labour market policies clearly prevent withdrawal from working life'. A comprehensive evaluation of GBPs by the Austrian Institute of Economic Research (WIFO) is currently under way.

Hausegger et al. (2010) analysed GBPs and SÖBs (*"Sozialökonomische Betriebe"* which translates as socio-economic enterprises and constitutes a second type of PWP in Austria) in Vienna based on surveys among programme participants¹⁰⁶. The evaluation found that clients were very satisfied during the period of temporary (transit) employment and that the experience helped to increase their self-esteem (depending on the duration of the programme), but noted that the transition to regular work was still found to be difficult. Indeed, the evaluation found that participants would benefit from further personalised support in the transition to the first (subsequent) job and described some pilot schemes aimed at helping to bridge the transition from GBPs to regular work; for example internships in companies, a "transfer phase" within a company.

The Hausegger et al. (2010) evaluation also suggests that the programme could be further personalised to the needs of the target groups (for example, by further options for extension in the case of participants who would benefit from longer in a programme, whilst those who are more job-ready should also be able to participate for shorter durations). The preparatory phase was found to be successful by project representatives.

¹⁰⁶ 60% of participants were men, one third were aged over 45 and 80% had primary education; three months after project termination 18% of the participants were employed.

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Poland: Public works

Background

Public works have a long history in Poland but they have evolved significantly since their beginnings in the late 19th century. The most recent and most comprehensive regulatory act for PWP is the Act on Promotion of Employment and Labour Market Institutions, from April 20, 2004¹⁰⁷ which regulates eligibility, target groups and measures for public works. On January 7, 2009 the Minister for Labour and Social Policy also issued specific regulations on organising PWP and intervention works and single reimbursement of payments for social insurance. The national regulation followed the EC Regulation no. 800/2008.

Design and implementation of the programme

Public works in Poland provide employment for unemployed persons for a maximum of 12 months in works organised by public and non-governmental institutions such as: municipalities; NGOs dealing with environmental protection, culture, education and learning, sport and tourism, health protection, unemployment and social policy; and also water companies and their associations.

Public works in Poland are specifically targeted at a number of groups including (1) long-term unemployed (>12 months); (2) unemployed after the end of "social contract"¹⁰⁸; (3) unemployed women who have not (re)commenced employment after having a child; (4) unemployed aged 50+; (5) unemployed without qualifications, work experience, or secondary education; (6) single parents of children under 18 years old; (7) ex-offenders who have not commenced employment following their release from prison; (8) disabled persons; (9) alimony debtors. However there are also wider categories of people eligible to participate in public works, defined as '*people in a particularly disadvantaged life situation*'.

An organiser of public works can identify an eligible employer to conduct public works programmes¹⁰⁹. The organiser applies to a local labour office with their administrative details (and details of the employer if this is not the same organisation) and the details of the work to be carried out¹¹⁰. Once the local labour office is satisfied that the employer meets the criteria to be eligible, a contract (which includes the amount of money for reimbursement for unemployed) is agreed.

Local labour offices select unemployed persons who are eligible to participate in public works and who meet the qualification criteria set by the employers. Participation is usually for 3-6 months. The employer is then required to hire participants for at least three months following their participation in a PWP.

Local labour offices monitor the situation of each unemployed sent for public works over the course of their employment. If difficulties occur, counselling would

¹⁰⁷ "Ustawa o promocji zatrudnienia i instytucjach rynku pracy z dnia 20 kwietnia 2004"

¹⁰⁸ A social contract is a written contract between a person applying for support and the institution providing the support. It sets out the rights and obligations for both parties.

¹⁰⁹ Employers must be in an stable economic situation to be eligible

¹¹⁰ i.e. the name of the employer applying for organisation of public works, VAT number, tax identification number, legal and organisational form of activity, number of unemployed who can be placed, place and types of works assigned for public works, qualifications demanded to the jobs, level of remuneration and the requested amount of money reimbursed for unemployed salaries. The organiser must also provide a statement about company's economic standing.

be delivered by the local labour office in charge. Long-term unemployed are usually specifically prepared before being assigned to public work placements.

Public works are funded through the national budget. Roughly one third of the fund is raised through employers contributions (2.45% of wage), and the rest comes from state budget transfers. Local labour offices can also organise their own PWP (e.g. Box 1- Local Labour Office in Nysa).

In 2009-2012 participants following PWP constituted slightly more than a quarter (26%) of all job starts within subsidised employment in Poland; higher than for those participating in intervention works (20%) and cost reimbursement for employing unemployed (23%), but lower than for those receiving support for setting up their own business (29%).

PES role in the programme

PES play a crucial role in the rolling out of public works in Poland; viewing themselves as '*animator and facilitator of local social economy*' and '*orchestrator of works for integration of local community*'¹¹¹. Local PES also see public works as one of the most useful instruments for targeting hard-to-reach unemployed, although they differ in their assessments of the effectiveness of public works locally. The role and responsibilities of PES can be summarised as follows:

1. **PES are counterparty of the contract** together with the organiser of public works (in many cases the organiser and employer is the same party). Organisers of PWP apply for workers (among unemployed persons) at the local labour office.
2. **Sometimes** PES are required to **initiate** public works, inviting eligible institutions (municipalities, NGOs, water companies) to provide work. Local PES operating in small towns and villages in non-industrial areas are especially active in this respect.
3. **Selection of (eligible) unemployed from registers** and matching with qualifications required by employer.
4. **Contact with assigned unemployed** and checking their real availability for commencing public works.
5. **Financial management related to subsidies and payment of social insurance.**
6. **Giving referrals and recommendations** for the employment of unemployed persons.
7. Some local labour offices provide **guidance and preparatory actions for long term unemployed before assigning them to public works**. This can include training in "Job Clubs"; placement in community works (10 hrs/week) before commencement of regular, full-time public works; design of Individual Action Plan (usually when participants return to register after a PWP); and giving them training tokens.
8. If necessary, PES organise **tripartite meetings** (between PES; unemployed; employer/organiser) **in advance of the start of a public works programme**.
9. **Monitoring the employment status of participants in public works**; both through contact with employers and on-site monitoring. Employers are obliged to report a list of attendance and progress monthly. If

¹¹¹ Extracted from telephone interview with local PES staff.

motivation is low or a worker is on sick leave too long, counselling and coaching on site meetings may be organised by PES.

10. Development of special ALMP programmes based on PWP (e.g. in Box 1 below).

Box 1. Common System of Public Works “Powszechny System Robot Publicznych” at the Local Labour Office in Nysa (Opolskie Region)

Context of the programme

There is a group of people who are on the unemployment registers simply to receive insurance, i.e. they are not genuinely interested in working. The municipality of Nysa has had quite high unemployment (24%), a growing problem of long-term unemployment (LTU) and yet, there have been problems with finding candidates for ALMP programmes.

The programme started in February 2013 and was designed to provide support for municipalities in maintaining public spaces in local communities. Employment in a PWP was meant to last for one month only.

Aims of the programme

(1) More intense actions addressing LTU; (2) Identification of unemployed persons who are not really interested in finding work; (3) More effective local PES actions, addressing people who are motivated to work; (4) More efficient use of state budget: eligibility test to ascertain status of unemployed and access to health insurance.

Initial outcomes

Around 45% of the LTU invited to participate in the programme were removed from the registers due to failure to report or refusal to participate; 30% of people who were assigned to the programme did not report for work and were thus also removed from the registers; 16% stated that their qualifications were too high for PWP (although upon registration qualifications and credentials were not presented).

Expected outcomes

For all 5,000 LTU to be covered by the PWP; temporary employment of those most in need (around 2,000 LTU); de-registration of 3,000 LTU; decrease LTU rate from 24% to 12%.

Recommendations

- (1) Public works can be an effective means of testing the readiness of LTU to take up work and thereby to channel and target the aid to those who need it the most;
- (2) Public works should be used for community services in order to help local institutions improve the quality of life of local communities by maintaining public space;
- (3) To introduce some form of conditionality for unemployment benefits connected to public works and to make participation compulsory after 12 months continuous registration;
- (4) Public works should be excluded from standard evaluation of effectiveness of ALMP instruments; the effects should be measured on the basis of de-registration from registers.

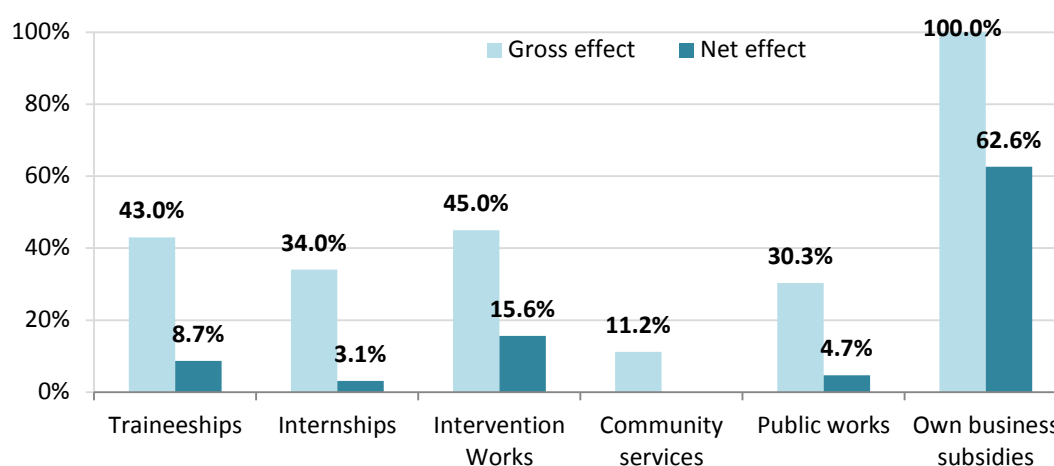
Source: Local Labour Office in Nysa, 2013

Effectiveness and evaluation of the programme

The evaluation of public works presented here focuses on the gross and net effects of PWP compared to other ALMP measures based on information available from the common “Syriusz” monitoring system of the PES¹¹². Gross effect refers to the difference between the probability of starting employment before participating in an ALMP measure and after. Net effect includes counter evaluation, i.e. effects which would take place anyway, without the implementation of ALMP instruments.

Figure 12 presents the general gross and net effects of PWP in relation to other ALMP measures. Public works present similar results to internships; i.e. some gross effects but they are not statistically significant (less than 10%) in terms of the net impact on employment.

Figure 12 – Gross and net effects of ALMP instruments on employment



Source: Wisniewski et al. 2011 for Ministry of Labour and Social Policy

PWP are especially popular in rural, non-industrialised areas (i.e. small towns and villages), however the highest (gross and net) effects are visible in big urban centres (gross effect: 63.1%; net effect: 39.4%). In industrial rural areas PWP displayed a significant negative net effect (-23.3%). The impact of participation in PWP seems to improve as time passes, in terms of gross effect. However, in terms of net effect, the impact is not statistically significant.

Survey data¹¹³ on job search methods show participants of PWP seem to be more passive in their job search than participants of other ALMP programmes (Table 11). They are more likely to visit labour offices and less likely to send their CVs to employers than participants of other ALMP programmes, which may be linked to their level of education.

On the other hand, the survey results indicate that 94.4% of male PWP participants found non-subsidised employment at least once after participating in the programme. Although the figure was much lower for women (62.5%) there

¹¹² The Syriusz System is the IT system of PES in Poland which collects data on unemployed, ALMP instruments and facilitates cooperation and information exchange between local and regional PES. The system also facilitates tracking unemployed, eliminating multiple registrations.

¹¹³ N= 526; n of participants of public works= 104 (72 men and 32 women)

was a lower take-up rate of the programme among women, probably due to the nature of jobs available under PWP.

Table 11 – Job-search methods of ALMP participants (%)

Methods of job search	Completed ALMP programme					Public works
	Training	Internship	Subsidies for own business	Intervention works	Community service/ socially useful works	
Local PES	23.9	10.7	5.5	14.5	23.7	54.3
Private/temporary agency	3.2	5.1	1.8	0.8	11.9	0.9
Employer's job announcement	18.6	22.5	20.0	9.2	15.3	2.6
Contacts	20.8	35.4	32.7	11.5	18.7	18.1
Direct contact with company	10.1	17.4	25.5	9.2	18.6	12.9
An initiative of ALMP organiser	18.6	1.1	3.6	50.4	8.5	7.8
Own organisation of workplace	1.6	5.1	7.3	3.1	1.7	2.6
Other	3.2	2.8	13.6	1.6	1.7	0.9

Source: Wisniewski et al. 2011

More than 60% of men and women reported that they had made use of knowledge and skills obtained through PWP (Table 12).

Table 12 – Declaration of using knowledge and skills obtained during ALMP programme, including public works (%)

ALMP	Female		Male	
	Yes	No	Yes	No
Trainings	59.2	32.0	74.2	25.8
Internships	61.4	38.6	69.8	26.0
Intervention works	81.6	18.4	68.5	27.8
Community service/ works socially useful	50.0	35.0	36.4	40.9
Public works	69.6	26.1	62.9	35.5

Source: Wisniewski et al. 2011

The biggest group of participants of PWP who took up employment after participation did so under temporary job contracts (80.4%), and 12.5% obtained task contracts (contracts which are drawn up by two parties; one part lays down the general provisions of the contract and the other party lays down the specific tasks involved). Almost 9% of participants got open-ended contracts, a low percentage compared to participants of training, internships, and intervention works (20%). Of those finding work, the vast majority took up full-time positions (96.3%). People following PWP generally worked in occupations related to managing basic public activities; construction; production of goods (e.g. outdoor garments and plastic).

Public works in Poland: Evaluation summary

The quantitative evaluation analysis conducted by the University of Nicolas Copernicus in Torun for the Ministry of Labour and Social Policy (Wisniewski et al. 2011) confirms occurrences of negative effects of public works in Poland or the fact that they were not statistically significant (Table 13). PWP have started being phased out as ALMP instruments and might be considered as passive instruments (Wisniewski et al., 2011).

The logit regression model showed that participants of community services and PWP had a lower probability of transition from unemployment to employment compared to unemployed persons not participating in any ALMP programmes (Table 13). This may mean that PWP in Poland do not have a significant impact on increasing employment opportunities for the unemployed. On the other hand, these effects should be taken in the context of the target groups that the programmes address, as they are the most disadvantaged and hard-to-reach people in the labour market. Other indicators of success such as de-registration from registers could also be applied (see also recommendations in Box 1) and would result in a more positive evaluation of the PWP.

Table 13 – Summary of effectiveness of public works v. other ALMP instruments in propensity score matching (PSM) and logit regression model

ALMP instrument	National system for PES Syriusz		Survey data	
	PSM	Logit regression	PSM	Logit regression
Training	Low effectiveness	Effective	Not effective	Effective in L-run
Internships	Low effectiveness	Low effectiveness	Effective	Effective
Intervention works	Effective	Effective	Effective	Effective
Community services/socially useful work	Not effective	Not effective	Not effective	Not effective
Public works	Not statistically significant	Not statistically significant	Not statistically significant	Not effective
Subsidies for setting up own business	Effective	Not tested	Effective	Effective

Source: Wisniewski et al. 2011

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Three in depth telephone interviews with representatives of local labour offices:

1. Public work specialist in local PES in Nysa, 26 July, 2013
2. Head of Job Counselling in local PES in Nysa, 27 July, 2013
3. Specialist in Department for Labour Market in Ministry of Labour and Social Policy, 3 July, 2013

Slovakia: Minor communal services¹¹⁴

Background

Country reforms: EU membership brings a new PES and new ALMPs

In the early 2000s Slovakia went through a process of major reform heavily influenced by preparation to join the EU (the Treaty of Accession was signed in April 2003). The tax and welfare system was reformed, and at the same time structural changes in state administrative bodies were implemented. However, regular reports on progress towards accession made clear that further reforms in the area of employment systems and labour market policies were needed¹¹⁵.

Between 2003 and 2004 a centralised PES structure which merged employment services and social services, was established. Labour offices were designed to function as one-stop shops for clients of employment services, social assistance beneficiaries and recipients of other types of social benefits¹¹⁶. The “Act of Employment Services” introduced a new set of active labour market measures, one of which was the activation allowance for participants of “Minor communal services”, a form of PWP¹¹⁷. Given the proportion of unemployed who participate in this programme, its introduction is seen as the most important and fundamental change in the Slovakian ALMPs¹¹⁸.

The Slovakian PWP is implemented through a dual system, on the basis of contracts with either labour offices or municipalities. Available national statistics (as provided to the Eurostat LMP database) cover only the labour office contracted PWP and evaluations often make use only of this data. The analysis here therefore covers only this variant, although some conclusions and recommendations may apply to both forms of the programme as they share many design features and implementation characteristics.

Minor communal services contracted with labour offices were particularly important at the time the intervention was introduced, accounting for 48% of ALMP expenditure and as many as 88% of all ALMP participants¹¹⁹. However, use of the programme has declined significantly since 2008 as a result of reforms limiting the duration of participation and a substantial transfer of demand to the municipality contracted model. In 2011, minor communal services (labour offices) accounted for 18% of ALMP participants. Nevertheless, it remains the single most important ALMP measure in Slovakia in terms of the share of participants.

The programme continues more or less in its original form, with the exception of some modifications in 2008 and 2011 (concerning the duration of participation and the work organiser) and some more recent changes in the Act of Employment Services (with effect from May 2013)¹²⁰. The latest changes are wide-ranging and

¹¹⁴ Full name of programme according to LMP database: “Contribution for activation activity in the form of minor communal services performed for a municipality or minor services for a self-governing region” or “Prispevok na aktivacnu cinnostť formou mensich obecnych sluzieb pre obec alebo formou mensich sluzieb pre samosprávny kraj”. The programme has also been referred in literature as “Activation Works” or “Small municipal works”.

¹¹⁵ Regular reports on Slovakia's progress towards accession, 1998-2002. European Commission

¹¹⁶ The Act No 453/2003 (http://www.upsvar.sk/buxus/docs/urady/NR/Zakony/zakon_453_2003.pdf) abolished the National Labour Bureau, a tripartite public institution entrusted with the administration of employment and labour market policies together with 79 district employment agencies.

¹¹⁷ 5/2004 Act on Employment Services of 4th of December 2003, www.zbierka.sk/sk/predpisy/5-2004-z-z.p-7594.pdf

¹¹⁸ Sirovátka, 2008

¹¹⁹ Ibid.; Eurostat, LMP database

¹²⁰ Amendment 96/2013 on the Act of Employment Services, <http://www.zbierka.sk/sk/predpisy/96-2013-z-z.p-35175.pdf>

aim to decrease the PES workload by decreasing responsibilities towards clients, and redesigning available measures and their implementation conditions¹²¹.

Labour market context – national negative trends and differences across regions

When the minor communal services PWP was introduced in 2003 the unemployment rate in Slovakia had reached 17.7%, and long term unemployed accounted for 11.5% of the active population, the highest rate in the EU that year. Very long term unemployment (> 2 years seeking work) in Slovakia was over three times higher than in the EU-27 (7.7% cf 2.4%). The labour market context has improved somewhat since that time, but there is still a need to tackle structural unemployment problems; long-term unemployment, very long unemployment and youth unemployment are significantly above the EU averages.

Great disparities between regions exist in Slovakia: Bratislava and Western regions tend to have more stable and healthier employment and unemployment trends than the Eastern and Central regions, which are less dynamic¹²². These discrepancies between regions have an impact on the take-up rates and outcomes of ALMP, as well as in budget allocation¹²³.

Design of the programme and target group

Objectives of the programme

The emphasis of the programme is on activating long term unemployed persons who are dependent on social assistance benefits, as well as promoting and maintaining their working habits. The programme does not explicitly aim to provide participants with relevant skills and experience for labour market placement, thus, rather than having an emphasis on labour market integration, its goal is to provide a social safety net to those most in need.

The strong linkage between this programme and the social benefit scheme means it could be considered closer to a social policy measure than labour market policy. As Kureková, Salner and Farenzenová note: “while the declared objective of the measure relates to increasing employability by preserving work habits, its objectives go beyond this more narrow interpretation as an ALMP tool and can be viewed as a social policy tool, too”¹²⁴.

Target group

Individuals targeted through this measure are long term unemployed (jobseekers registered for at least 12 out of the previous 16 months), who are also beneficiaries of the “Benefit in Material Need” (BMN). Participants are granted an “activation allowance” on top of their BMN; receipt of the allowance does not change the status of participants – they remain benefit claimants rather than to employees as no employment contract is involved, and time spent in PWP does not count as a work period in the social security records (e.g. for entitlement to unemployment benefit or pension). Participation in the programme is voluntary and no sanctions apply. However, participation into either variant of minor

¹²¹ Duell and Kureková, 2013

¹²² In 2003, unemployment rate in Bratislava was 10.6pp less than the national average whilst Central and Eastern Slovakia were above the national average (3.0pp and 4.3pp respectively) (Regional database, Statistical Office of the Slovak Republic).

¹²³ Labour Offices budget allocation is calculated with previous year figures on participants, but also takes into regional unemployment rate.

¹²⁴ Kureková L.M., Salner A., Farenzenová M., 2013, Implementation of Activation Works in Slovakia Evaluation and Recommendations for Policy Change. Final Report.

communal works (i.e. organised by the labour office or by a municipality or self-governing regional body) cannot coincide with participation in the other variant, or in a similar activation measure ("Voluntary work activation programme").

Participation in the projects organised under the programmes is limited to six (calendar) months, although repetitions are possible and the duration can be extended for a further maximum of 12 months (i.e. bringing it to a total of 18 months)¹²⁵. The weekly working time cannot be more than 20 hours, except in the first week.

Municipalities and self-governing regional bodies¹²⁶ are responsible for organising the work and number of jobseekers to be placed. When participants are contracted by municipalities, they receive a grant from the Labour Offices to cover part of the costs incurred (i.e. accident insurance for jobseekers performing activation activities). If labour offices contract the participants, the grants passed on to the municipalities (as organisers of the work) also cover the expenses for work equipment and the cost of employing jobseekers undertaking the role of work coordinator¹²⁷. Since January 2013, minor communal services can be organised by a broader range of bodies from municipalities to organisations funded or governed by municipalities (e.g. primary schools, municipal enterprises, museums, cultural bodies and sport facilities).

No other partner organisations are involved in the implementation of the measure, although the Central Office of Labour, Social Affairs and Family (CoLSAF) has overseeing functions, and social assistance services (within the Labour offices) play an important role in the management of the measure (explored further in a later section on PES role).

The work undertaken under the minor communal services programme is defined in the legislation in a general way, and includes a wide range of options, mainly involving areas such as the environment, social and cultural activities, and education and community activities¹²⁸. In the case of projects organised by regions, tasks are specifically related to the environment and emergencies¹²⁹. In practice, low-skilled manual activities are most common. In fact, the measure is mainly used for street cleaning and maintenance, or environmental tasks, such as tree cutting and creating green spaces in the municipality, although other activities and functions are also covered to some extent¹³⁰. Unlike many similar PWP across Europe¹³¹, there is no mention of the displacement of regular job positions, or regarding the market-orientation of the activities to be performed, implying that these positions tend not to threaten the regular labour market

¹²⁵ For minor communal services contracted by Labour Offices the limit of repetition was firstly introduced through the amendment 139/2008, which stated a maximum extension of further six months (i.e. total of 12 months). In 2011, the amendment 120/2011 meant the extension maximum period was changed to the current 12 months (18 months in total).

¹²⁶ The possibility of minor works within self-governing regions was introduced in 2011 by the Act 120/2011 which amended and replaced the Act on Employment Services 5/2004.

¹²⁷ The coordinator hired allocates tasks to participants, and is in charge of coordination and planning of the project, in conjunction with the mayor and other local actors.

¹²⁸ As detailed for the legislation, "improvement of the economic conditions, social conditions, cultural conditions, protection, maintenance and improvement of the environment, conservation and preservation of cultural heritage, promote education, development and provision of social services, and other community activities in the social sector, development and protection of spiritual and cultural values, additional education of children and youth and to develop and support community activities".

¹²⁹ As detailed for the legislation: "protection, maintenance and improvement of the environment and to assist in emergencies and elimination of their consequences"

¹³⁰ Duell and Kureková, 2013

¹³¹ E.g. German and Hungarian programmes

where similarly low-skilled positions do not account for a significant proportion of stable work.

This activation measure, as all other ALMP in Slovakia, is “nearly fully financed by European Social Fund”¹³².

PES role in the programme

PES operational context

In Slovakia the PES is decentralised with labour offices responsible for implementation of policies and programmes, while policy making, development and budgeting is centralised. As such, individual local Labour Offices might operate differently from one another.

Referral and selection of participants

For activation purposes, BMN recipients are referred to employment services by the BMN unit staff (part of the Social Affairs Section, within the labour offices) in order to be registered as jobseekers, and hence be eligible for participation in ALMP measures and to receive activation allowance. The registration of BMN recipients as jobseekers means that they will have access to the whole range of PES services, and at the same time requires them to fulfil obligations such as active job search¹³³. Since receiving the BMN is a necessary condition for participation, PES verify the status of the beneficiary as a claimant with the unit responsible for BMN¹³⁴.

→Recent changes in the operation of PES, such as general “modernisation” and greater competences given to the Committee for Employment (which will have responsibility for approving applications for non-obligatory measures - such as Minor communal services - on an individual basis) might have an impact on the operational context and implementation of the PWP.

In terms of selection of participants, work organisers (municipalities and self-governing regional bodies) ask for a number of jobseekers. Labour offices have a list of eligible participants taken from the unemployment register crosschecked with the BMN unit. Municipalities may exercise some discretion in selecting jobseekers; the selection criteria can include: “motivation for work, distribution of activation works among family in need, previous work experience”¹³⁵.

Whether the experience offered by a particular PWP project is appropriate to the needs of an individual participant (in terms of employability) does not appear to be the main factor for referral or selection. On the contrary, the allocation of tasks seems to depend more on the needs of the municipality to have maintenance works undertaken than on the needs of the jobseekers. In practice there is a shortage of meaningful tasks for participants, especially in small municipalities where there is higher unemployment rate and more demand for participation in the programme¹³⁶.

¹³² Duell and Kureková, 2013, p.8

¹³³ Until May 2013, when the recent amendment on the Act in Employment Services came into effect, jobseekers also had to pay monthly visits to Labour office to document job search activities.

¹³⁴ Alternatively, participants who have been registered in the first place as jobseekers are informed by PES about their eligibility for UB or BMN, in the latter case, they are referred to BMN unit. This is a much less common pathway to PWP, all participants tend to be first BMN, and then be informed about ALMP and register as jobseekers.

¹³⁵ Duell and Kureková, 2013

¹³⁶ Kureková L.M., Salner A., Farenzenová M., 2013. (in Duell and Kureková, 2013)

Individual case management

Apart from the jobseekers' obligatory monthly visits to the Labour offices, there is no further evidence of individual case management by the PES. In fact, since May 2013, this is not regulated and the frequency of contact between PES-jobseeker is determined by PES staff. In addition, labour offices are not obliged to offer jobseekers (generally, not specifically those in PWP) suitable employment or participation in an ALMP measure anymore which, it has been said, "will lead to a greater discretion on the part of PES staff towards jobseekers and goes against the international standard of close interaction between PES and jobseekers, especially with clients most distant from the labour market"¹³⁷. Regular meetings are held between local labour offices and municipalities, although no detail on the duration, frequency and agenda of these is available.

Accompanying activities

The minor communal services programme does not include any accompanying activities (apart from the above-mentioned visits to the labour offices, which apply to all registered jobseekers), although informal training occasionally results when participants with different levels of experience work together.

Financial management

The PWP budget is allocated annually by the Ministry of Labour and Ministry of Finance. Labour offices are invited to submit an estimated budget for legally defined ALMP measures, including minor communal works. Labour office budgets are then determined by an overview of past expenditure and the number of participants, as well as some rough projections of the likely take-up in the new fiscal year, which take into account unemployment rates and local labour market developments.

As previously mentioned, labour offices dispense grants to municipalities, depending on the number of jobseekers they have registered, to cover costs for protective work equipment and tools, accident insurance for participants, and the cost of employing jobseekers undertaking the role of organiser/coordinator.

Financing mechanisms which benefit those municipalities taking fewer jobseekers were introduced in 2008. This financing model was put in place in order to discourage mass take-up of jobseekers by the municipalities as well as to manage the funds allocated to the national project (i.e. EU structural funds) which were getting low¹³⁸.

Monitoring and follow-up

Eligibility for the activation allowance is linked to participation in the measure. Attendance monitoring is performed by municipalities (and self-governing regional bodies) using attendance sheets which must be filled in on a monthly basis. In addition, there are regular meetings between the municipalities and the labour offices and labour offices undertake control site visits from time to time¹³⁹.

A new benchmarking system has been introduced by CoLSAF, which collects information on performance across all labour offices in the country. Although this might represent an opportunity for closer monitoring and a better tool to assess PES performance, the new system has been criticised for not taking into account the local labour market context and insufficient staffing in labour offices which

¹³⁷ Duell and Kureková, 2013

¹³⁸ Ibid.

¹³⁹ Ibid.

limits effective service delivery¹⁴⁰. In addition, “there is little monitoring of outcomes for different target groups, longitudinal data are not systematically exploited, and the treatment of the jobseekers cannot be done in the most efficient way”¹⁴¹.

Role and responsibilities of other partners and overall co-ordination

Overall management and co-ordination of the programme

Municipalities are responsible for the implementation of the programme and are given significant autonomy. Labour offices (regional/local PES offices) are only in charge of fund management (dispensing grants) and CoLSAF (the national PES office) is responsible for overseeing the programme and management. Within the labour offices, social assistance units have responsibilities for referring participants and file-sharing and information exchange on participants with employment services.

There is monitoring of the programme in terms of inflows and outflows of participants collected by labour offices, and managed centrally by CoLSAF. Outcomes of programmes in terms of labour market situation of participants are recorded (those in employment fall into one of three categories: <6 months, 6-12 months, and >12 months). The statistics collected are available (in part) online¹⁴².

Since January 2013, the amendment of the Law on Material Need (599/2003) set stricter and more explicit conditions for the organisation of minor communal services by municipalities or municipality funded/governed bodies. The regulations include a requirement for a signed contract between the municipality and PES, specifying the content and range of work, conditions of work, timing, place of work and daily working time.

Role of work providers

In addition to organising the work, municipalities and self-governing regional bodies have a role in selecting participants. The evaluations did not find any examples of formal training organised by municipalities (or other activities).

Other partners

CoLSAF (Central Office of Labour, Social Affairs and Family) and the social assistance unit in the labour office are the only other partners in the implementation of the programme. CoLSAF serves as an implementing agency for the Ministry and has an important coordination role and provides governance of local labour offices. It also oversees budgeting and payment processes, sets priorities, provides methodological guidance with respect to implementation of services and guides collection of administrative data and data reporting¹⁴³.

The social assistance units are located in the same labour offices, together with employment services (ES) units. They have a low level of interaction with ES, limited to file sharing with participants in this measure. The social assistance unit does not give special attention to placement of BMN recipients on the open labour

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

¹⁴² On the CoLSAF website, statistics page (e.g. http://www.upsvar.sk/statistiky/aktivne-opatrenia-tp-statistiky/aktivne-opatrenia-trhu-prace-2011.html?page_id=33433)

¹⁴³ §12/Act on Employment Services www.zbierka.sk/sk/predpisy/5-2004-z-z.p-7594.pdf

market, and the work of the two units, vis-à-vis the client is carried out separately¹⁴⁴.

Effectiveness and evaluation of the programme

Four evaluations (Table 14) have been used to explore the effectiveness of the minor communal services programme, as well as to identify the main weaknesses and success factors on which the recommendations are based. Where possible, up-to-date statistics have been used.

Table 14 – Evaluations of minor communal services in Slovakia

Year published; year(s) evaluated	Title and author(s)	Methodology
2011 Evaluated: 2006-2009	Assessing the efficiency and effectiveness of spending on active labour market policies in Slovakia. Harvan P., Financial Policy Institute.	- Quantitative statistical analysis - Questionnaire micro data from the LFS - Sample and control-group
2013 Evaluated: 2010-2011	Activating Benefit in Material Need Recipients in the Slovak Republic. Duell N., Kureková L., CELSI ¹⁴⁵ and World Bank.	- Quantitative statistical analysis - Field visits and interviews
2013 Evaluated: 2010-2011	Pilot assessment of the impact of selected measures of active labour market policy. Bořík V., Caban M., MOLSAF ¹⁴⁶ , CoLSAF.	- Survey of sample of participants
2013 Evaluated: 2013	Implementation of Activation Works in Slovakia Evaluation and Recommendations for Policy Change. Final Report. Kureková L.M., Salner A., Farenzenová M.	- Quantitative statistical analysis - Field visits and interviews

Profile of participants

The profile of the participants in the minor communal services programme is determined by the eligibility criteria laid down in legislation, i.e. restricted to long-term unemployed recipients of BMN.

According to CoLSAF statistics, entrants in the programme in 2011 came primarily from the **middle-age** age bracket (76% were aged 25-54, 16% were less than 25 years old and 7% were more than 54 years old) and a vast majority of them had **low education levels** (91% ISCED 1-2). In 2011 42% of entrants were women and 58% were men.

Before January 2013, young school leavers (16 years old) could register to do minor communal services and earn their first income through the activation allowance, but this meant the programme limited the rerouting of young school leavers to vocational training or education measures. Although the share of young participants is considered low, it was nonetheless deemed in some evaluations as a “perverse effect” that promoted a “work-first” instead of a “train-first” strategy. Now, 16-18 years olds can only participate in the programme if they continue to study (e.g. through distance studying, continued education while working, participation in education projects provided by the labour offices, etc.)^{147, 148}.

¹⁴⁴ Duell and Kureková, 2013

¹⁴⁵ Central European Labour Studies Institute Research

¹⁴⁶ Ministry of Labour, Social Affairs and Family

¹⁴⁷ Duell and Kurekova, 2013

¹⁴⁸ Amendment to Law on Material Need (599/2003):

<http://www.upsvar.sk/buxus/docs//SSVaR/zakony/599-2003.pdf>

Even though the programme does not explicitly target Roma population, **Roma generally constitute the majority of participants of minor communal services**, especially in Eastern and Central regions of Slovakia where there is a higher density of the Slovak Roma population. The lack of statistics on ethnicity mean that the exact share of the Roma population amongst participants is not available, but CoLSAF estimates a figure of around 80%¹⁴⁹. This compares to an estimated 35% Roma amongst all recipients of BMN (again statistics on ethnicity at individual level are not available)¹⁵⁰.

Take-up rate

Compared to all other activation measures available to BMN beneficiaries, the minor communal services programme has consistently high levels of take-up. In 2011, 89% of all BMN recipients receiving an activation allowance participated in the measure¹⁵¹. This suggests the programme is attractive to BMN participants. The activation allowance is an important part of the incentive to participate; indeed, the main motivation expressed by individuals to participate in the programme is to increase the family income¹⁵². The activation allowance is received on top of the BMN benefit, which is set below the subsistence minimum¹⁵³, and it represents a stable source of income. In 2011 the value of the BMN/month was set at 60.5 EUR/month (for an individual with no child) and the activation allowance was set at 63 EUR/month. Secondly, participation in minor communal service works is compatible with care and family life (because it is part-time), and is convenient since it is local and there is no need to commute far to work¹⁵⁴.

Incentives to work should be considered together with what Kureková calls “**disincentives to work**”. For example: difficulty in finding jobs in a depressed labour market (most of which are not stable and with very low wages), and integration barriers faced by disadvantaged jobseekers (i.e. the target group). Low mobility for socially disadvantaged groups due to poor transport infrastructure, as well as “house rigidity” (i.e. not being able to sell their house and move to find work) are other elements that contribute to discouraging participants from finding work in the regular labour market whilst motivating them to participate in minor communal services. Furthermore, the current design of social benefits system (BMN) contributes to encouraging participants to remain as a BMN claimant, which offers a better paid and more regular familial income.

Employment outcomes

All evaluations point out the **poor results of programme in terms of employment of individuals after participation on the measure**. In 2010, only 4.4% of participants were in employment in the 6 months following participation; 3.3% after 6-12 months and 2.24% after 12 months¹⁵⁵. This can be

¹⁴⁹ Kureková L.M., Salner A., Farenzenová M., 2013

¹⁵⁰ Estimated using the 2010 UNDP Slovak Roma Survey, in World Bank 2012, Protecting the Poor and Promoting Employability. An assessment of the social assistance system in the Slovak Republic.

¹⁵¹ Activation allowances can be granted if individuals participate also in part-time studies for upgrading qualification or re-qualification, in a training program organized by the PES, or as a back-to-work benefit (employed or self-employed).

¹⁵² Kureková L.M., Salner A., Farenzenová M., 2013

¹⁵³ Subsistence minimum is defined as the socially accepted minimum income level under which a person/household falls in material need. It was initially calculated based on the consumption basket and is calculated annually. For current levels: <http://www.employment.gov.sk/zivotne-minimum-od-172013.html>.

¹⁵⁴ Minor communal services should be organised and put in practice in the locality the participant resides in.

¹⁵⁵ Duell and Kureková, 2013

contrasted with a similar measure “voluntary work” introduced in 2009¹⁵⁶, which has similar design characteristics but the work organisers are NGOs and third sector entities instead of municipalities. The employment outcomes of voluntary work were found to be much better: 32% of participants successfully found work in the labour market within 6 months of participating in the measure.

A recent report within the framework of the ESF Operational Plan evaluation found that from a sample of nearly 40,000 (39,979) individuals who exited minor communal services programme before 2010¹⁵⁷, 20.3% (8,129) had been employed at least once in the two years following participation in the measure, though the average duration of employment was just 2 months. Again, this is considerably less effective than the voluntary works programme, which saw just over a half (51%) find longer spells of employment (average of 7 months) within the two years after participation.

However, it is crucial when comparing these two programmes to take into account the profile of participants. The voluntary work programme is open to all jobseekers registered for more than 3 months with the result that the participants have (on average) a higher educational level, two thirds are women, and there are more young people. The minor communal services programme targets a much more challenging group, with a range of difficulties and disadvantages.

The analysis for the period 2006-2009 undertaken by Harvan (2011) reveals that the measure had a **negative impact on employment** (i.e. “lock in” effects). When comparing a control group to participants in the programme, a negative employment effect is observed (-6.3%). In addition, this evaluation also highlights the **economic inefficiency** of the programmes, i.e. generally a poor targeting of funding instruments.

According to Bořík V., Caban M., 2013, amongst the participants who were in employment 2 years after participation, a high proportion (49%) were **employed in the public sector** and not in the open labour market.

The programme is found to have **differentiated outcomes**; in Bratislava and Western regions (Nitra, Trnava, and Trenčín) there are higher rates of employment after participation in the measure compared to Central and Eastern regions (**Table 15**). As mentioned previously, this most likely reflects the different conditions of the local (regional) labour market. In addition, Harvan, 2011 mentions that management capacity and implementation differences between local labour offices might also play a role.

¹⁵⁶ The measure was initially part of the minor communal services measure, but it was split in the amendment of the Act on Employment Services in 2008.

¹⁵⁷ Measures were taken during 2010 and 2011; individuals sampled took part in the measure and exited at the latest the 31.12.2009.

Table 15 – Differentiated regional employment outcomes after participation in minor communal services, 2009 & 2010

		Participants placed on the labour market after exit in 2010 (%)*			Participants employed at least once within 2 years after exit in 2009 (%)**
Region		< 6 months	6 -12 months	> 12 months	
Bratislava	Bratislava	12.84	1.35	1.01	38.0
Western Slovakia	Trnava	11.09	5.50	1.40	30.1
	Trenčín	7.33	4.00	0.83	25.1
	Nitra	6.28	3.65	1.32	24.5
Central Slovakia	Žilina	5.96	4.20	3.06	23.6
	Banská Bystrica	3.67	2.58	2.44	19.9
Eastern Slovakia	Prešov	4.36	4.79	3.22	19.1
	Košice	3.46	2.49	1.68	17.5
All regions		4.44	3.30	2.24	20.3

Source: *Duell N., and Kureková L., 2013, "Activating Benefit in Material Need recipients in the Slovak Republic". ** Borik V, Caban M., 2013

Soft outcomes of the programme

Most evaluations include arguments based on qualitative observations and interviews on how the programme meets its main objective to improve working habits of most disadvantaged jobseekers, as well other soft-outcomes of the programme.

It is **not clear that the programme contributes to improving the working habits of participants**. This will depend on how municipalities decide to implement the programme at the local level, i.e. the tasks allocated to participants and how regular the schedule and working hours are, the degree to which the work performed is integrated with regular staff, etc.

There seems to be a consensus amongst all evaluations that the programme has **little impact on upgrading skills** since no training is systematically provided and tasks are not allocated to participants with their personal development in mind. According to Duell and Kuraková, the broader range of bodies now officially able to organise minor communal services might provide greater scope for skill development and offer more meaningful and varied activities to engage in¹⁵⁸.

Evaluations also mention the **potential positive soft outcomes** the programme might have, such as building self-esteem, improving motivation and attitudes to work, the programme provides a "framework for personal interactions and a feeling of usefulness"¹⁵⁹.

Roma social inclusion vs. stigmatisation of programme

Participation in the minor communal services programme is (and has increasingly been) **very common amongst Roma population**; in 2010 47% of working age Roma had participated in an activation programme¹⁶⁰, compared to only 5% of the general population¹⁶¹.

In some municipalities Roma and non-Roma participants perform tasks together, but there are also cases where **discrimination** was found in the allocation of

¹⁵⁸ Duell and Kureková, 2013

¹⁵⁹ Kureková L.M., Salner A., Farenzenová M., 2013

¹⁶⁰ Activation programmes in the survey include also the intervention Voluntary work activation programme (footnote 154).

¹⁶¹ Report on the Living Conditions of Roma households in Slovakia 2010, UNDP Europe and the CIS, Bratislava Regional Centre, 2012.

tasks amongst participants: more physically demanding and outdoor tasks were commonly allocated to Roma, whilst indoor tasks or work that involved contact with customers was more commonly allocated to non-Roma participants¹⁶². Such discrimination limits the potential for the PWP to support the integration and social inclusion of the Roma population.

Stigmatisation is a challenge for minor communal services programmes which appears to be linked to the participation of Roma in the programmes; there was “greater stigma where there were fewer non-Roma participants”¹⁶³. In addition, “the level of perceived stigmatisation affected the interest of non-Roma in participating”. On the other hand, municipalities that implemented public works to undertake improvements in the municipality infrastructure have been deemed as successful in **improving the image of the local Roma community** who are seen to have positively contributed to the community¹⁶⁴.

Misuse of programme: displacement of jobs

Given that it is cheaper for municipalities to have participants in minor communal services than hiring regular employees, there is risk that the abuse of the programme leads to displacement of regular job positions. In fact, some (especially smaller) municipalities employ as many people via minor communal services as regular staff (in terms of full-time equivalents) and in some cases more¹⁶⁵.

Recommendations

Change in the process of selecting participants and eligibility criteria

The programme has been criticised for the lack of transparency in the process of selecting participants. Clear procedures and defined criteria for selecting eligible participants should be put in place.

Increase tailoring and differentiated approach for disadvantaged jobseekers

At PES level, despite the profiling system and 3 zone division of PES services, there is no differentiation for particular (employment) barriers or provisions for tackling individual circumstances. As work organisers, municipalities should allocate tasks taking into account willingness to work, competences, the experience and qualifications of participants.

Include accompanying activities and support

All evaluations criticise the programme for lacking much in the way of skill upgrading and/or training. Evaluation suggestions vary from including informal on-the-job training and learning practices integrated into the existing system¹⁶⁶, to introducing a training component as an important part of the scheme, or even to transferring funds from this measure to training measures¹⁶⁷.

¹⁶² Kureková L.M., Salner A., Farenzenová M., 2013

¹⁶³ Ibid.

¹⁶⁴ Bořík V. and Caban M., 2013

¹⁶⁵ Kureková L.M., Salner A., Farenzenová M., 2013

¹⁶⁶ Duell and Kureková, 2013

¹⁶⁷ Bořík V. and Caban M., 2013

Better monitoring and evaluation

Duell and Kureková suggest the introduction of outcome by target group monitoring, as well as the introduction of professional and academic evaluation of the effectiveness of the programme (and different ALMP measures), which would require better access to the available administrative data¹⁶⁸. In addition, existing works lack a broad consideration of the context in which they operate, i.e. the application of the measure into a broader institutional and labour market context as well as the socioeconomic conditions of participants (poverty and dependence on social assistance)¹⁶⁹.

Improve links between municipalities and PES

Increase the involvement of local labour offices in programme implementation, and introduce control mechanisms for municipalities to avoid misuse of the programme (i.e. crowding out and substitution of regular jobs). Some local government representatives proposed greater flexibility in types of tasks participants could perform in order bring greater benefit to the municipality¹⁷⁰.

Increase PES capacity

Duell and Kureková's evaluation found that understaffing and under-financing limits the ability of employment service units to carry out tasks beyond administrative duties. According to the findings, PES should increase staff allocation in order to ensure that PES have sufficient implementation and monitoring capacity¹⁷¹.

The evaluation recommendations are in line with National Reform Programme recommendations: "measures to enhance the capacity of public employment services to provide personalised services to jobseekers and strengthen the link between activation measures and social assistance. More effectively address long-term unemployment through activation measures and tailored training. Enhance the provision of childcare facilities, in particular for children below three years of age. Reduce the tax wedge for low-paid workers and adapt the benefit system"¹⁷².

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