

SUMMARY REPORT

PES NETWORK CONFERENCE: INTEGRATION OF THE LONG-TERM UNEMPLOYED



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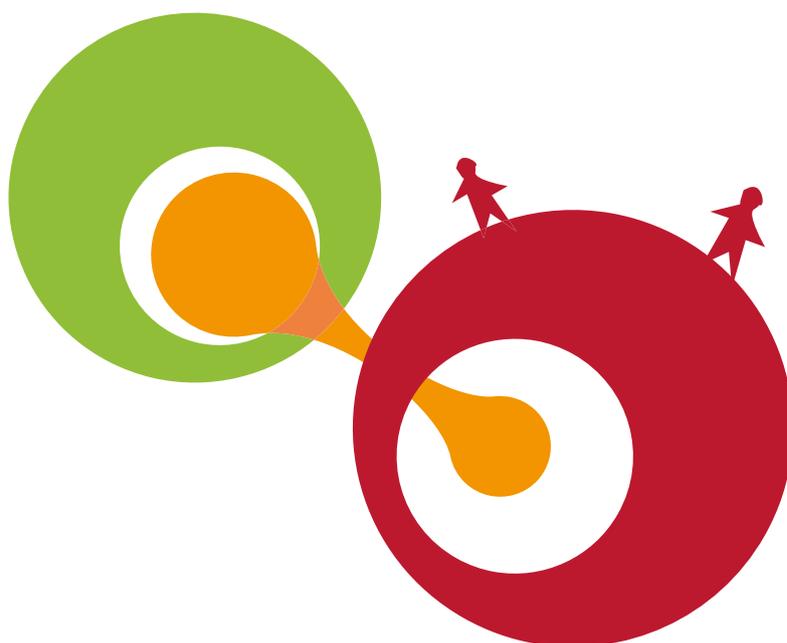
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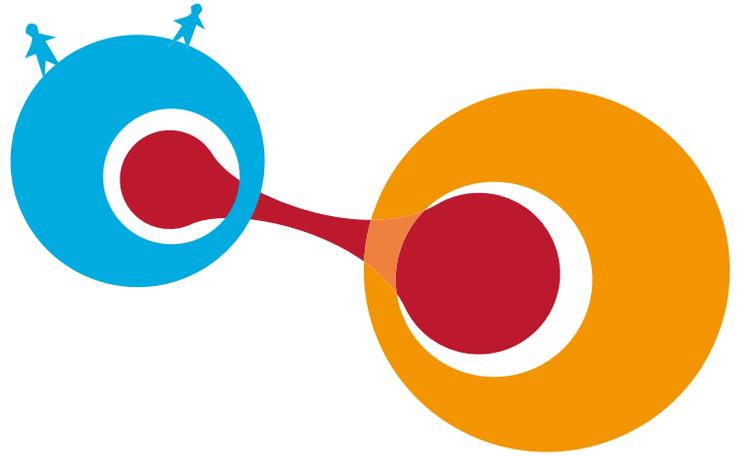


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Contents

| | |
|---|----|
| 1. Introduction | 6 |
| 2. Key conclusions for the implementation of the Council Recommendation | 6 |
| 3. Topic 1: Single point of contact | 7 |
| 4. Topic 2: Job integration agreement | 8 |
| 5. Topic 3: Job integration partnerships | 10 |
| 6. Support for the implementation of the Council Recommendation | 12 |





1. Introduction

Long-term unemployment (LTU) poses a key challenge to achieving sustainable growth and cohesion in many Member States. In 2015, the number of long-term unemployed rose to more than 10 million people across Europe, of which 6.8 million had been unemployed for at least two consecutive years¹.

Public Employment Services (PES) play a significant role in identifying the long-term unemployed as they are often the first reference point for jobseekers. Together with partners on both the supply and demand side of the labour market, PES can play a key role in facilitating joint delivery of individualised services, while outlining the rights and obligations of the unemployed and identifying the organisations involved in providing support².

The Council Recommendation³ on the integration of the long-term unemployed into the labour market, issued in January 2016, encourages Member States to improve the quality and performance of LTU services by:

- Increasing the number of registered long-term unemployed with PES;
- Strengthening continuity in support through a coordinated service offer, involving available employment and social support services through a single point of contact;
- Increasing individualised support through an assessment of the needs and employment perspectives of the long-term unemployed, as well as the preparation of a job integration agreement, at the latest after 18 months of unemployment for registered long-term unemployed not covered by the Youth Guarantee; and

- Establishing partnerships with employers by increasing the engagement of employers in programmes targeting the long-term unemployed.

On 2 June 2016, a European conference of the PES Network brought together senior PES representatives and other partner organisations from 21 Member States, as well as participants from Norway and Turkey, to discuss the Council Recommendation. This report summarises the key points and conclusions from the discussions, grouped around the following conference topics:

1. The provision of single points of contact through inter-agency coordination
2. The design and implementation of job integration agreements
3. Joint management and service provision through the establishment of effective job integration partnerships

2. Key conclusions for the implementation of the Council Recommendation

Several key conclusions can be drawn from the conference discussions, which address the Council Recommendation in relation to setting up single points of contact, job integration agreements and job integration partnerships.

Single point of contact

- Accessible, well-timed (early) services for the long-term unemployed provided by a single point of contact need to be coordinated across and within different partner organisations. The establishment of a shared framework that outlines the objectives, goals and responsibilities of all partners is important.
- Services provided by a single point of contact are significantly more effective if there is a shared understanding of collective data needs and an underpinning information system in place.

1 Based on EUROSTAT EU Labour Force Survey.

2 The European Network of Employment Services (2015): PES Network contribution to the consultation regarding a COM proposal for a Council Recommendation on Job Integration for the Long-term Unemployed.

3 Council Recommendation on the integration of the long-term unemployed into the labour market 2015/0219.

- An investment in staff training across all partner organisations can increase skills and commitment, and a sense of personal ownership of the single point of contact at all staff levels.

Individual assessment and job integration agreement

- A holistic assessment of the skills, qualifications and needs of the long-term unemployed person enables a personalised approach to service provision. By combining statistical tools based on reliable data, professional assessment by a qualified job counsellor and a self-assessment by the long-term unemployed person him/herself, it is possible to identify barriers to employment and services.
- The job integration agreement between the registered long-term unemployed person and single point of contact should refer to individualised support services and outline progressive goals, timelines, rights and obligations. Rights and obligations need to be balanced and consider the personal situation of the individual. Sanctions should be used where appropriate and after a thorough assessment by the job counsellor.
- Early and frequent face-to-face meetings motivate the long-term unemployed person and ensure the continuity of a personalised approach. In particular, meetings with the *same* job counsellor enable a personal relationship to evolve and thereby ensure that the services are tailored to the individual. This approach requires investment in staff training and human resource capacity. In terms of caseloads, for example, there are various approaches across Europe, but evidence suggests that fewer cases per job counsellor support this personal and intensified contact.

Job integration partnerships

- Job integration partnerships are intended to ensure that different services can be combined and address an individual situation holistically. Service delivery in collaboration with social support services addresses barriers to employment, prevents LTU and saves public funds. Non-governmental organisations (NGOs) and private-service providers can provide flexible, specialised services to specific groups of long-term unemployed. “Payment by results” con-

tracting approaches – in combination with PES performance monitoring – can also be a good way to improve job integration outcomes.

- Successful joint-service delivery should be supported by establishing a common approach, outlining goals, responsibilities and information sharing among partners.
- PES can function as a single point of contact for employers by understanding employers’ needs and reviewing opportunities for the long-term unemployed. In particular, it is important to communicate the abilities of the long-term unemployed to employers in order to fight stigmatisation. In-work support is also necessary for good employer relations and sustainable employment.

3. Topic 1: Single point of contact

The aim of establishing a single point of contact is to **facilitate a coordinated and tailored service offer** that can address the multiple integration barriers faced by the long-term unemployed. These can range from professional barriers, from a lack of job skills, skills degradation, labour demand issues or discrimination, through to personal barriers, such as poor health, disability, mental illness or psychological distress.

Integrated service delivery through a single point of contact can help overcome these barriers by:

- Providing easier and earlier access to employment support services;
- Recognising and meeting the specific needs of the long-term unemployed by pooling together expertise and resources, as well as sharing and building knowledge across partner organisations; and
- Offering tailored and continued support by directing the long-term unemployed to relevant service providers.

PES registration as a key criteria for job integration

Registration with PES is crucial for the long-term unemployed to **access job integration support services**, either via the PES or a contracted service provider. In 2014, 73% of long-term unemployed were registered with PES across the EU-27⁴.

⁴ European Commission (2016): COM Fact Sheet Long-term unemployment: Council Recommendation – frequently asked questions.



However, the registration rates vary significantly between Member States, with several displaying registration rates below 50%.

Establishing a single point of contact that combines the **delivery of employment and social support services** is a first step towards **addressing the multiple needs** of the long-term unemployed and thereby enabling their re-integration into the labour market. Member States including Denmark, Estonia, Germany and the UK have already established single points of contact and they have confirmed their positive effect on both the number of registrations and coverage of employment services⁵.

In addition, the **link between employment services and (social) benefit payment** helps provide a continuity of approach and supports the individualisation of services. This addresses the fact that in some Member States, social assistance authorities are responsible for the support of the long-term unemployed and cooperation in relation to job-activation measures is often limited. Furthermore, linking the entitlement to benefits and employment services can help to **enforce rights and responsibilities** in the job integration agreement as described below.

Different approaches to a single point of contact

Across Member States, approaches towards providing a single point of contact vary in terms of their level of integration/depth of coordination, available service capacity and resources, as well as geographical coverage. Single points of contact can both be established through the **integration of organisational functions**, but also through **cooperation based on data exchange and coordination**. Examples of single points of contact include 'one-stop-shops', coordinating case managers or digital/automated single points of contact.

The Finnish and Irish PES provide examples of tailoring the provision of employment and social support services to the needs of the long-term unemployed:

- The Finnish model of a multi-sectoral, joint service brings together a permanent network of three different partners: Employment and Economic Development Centres (PES), municipalities and the Social Insurance Institution

of Finland (Kela). Each network has a management group in charge of organising the joint service locally.

- The Irish model of integrated, service provision, "Intreo", combines three different service offers under one roof: welfare claim assessment and decisions; integrated reception; and activation and case management. "Intreo" functions as a single point of contact designed to provide a more streamlined approach towards service delivery, offering tailored employment services and support to the long-term unemployed and employers.

Designing and managing single points of contact with joint services

Developing a coordinated service offer that can be delivered via a single point of contact requires a robust design and management strategy. Partner organisations need to agree on **common objectives**, linked to the planned and **measurable goals** that are expected to be delivered from each partner. As a first step, this requires having an agreement on data needs and setting up a **shared information system** in order to ensure effective coordination between partner organisations. Moreover, partners should have sufficient **flexibility** regarding the design and delivery of services in order to play to their key strengths. This facilitates a collective, organisational responsiveness to changing operational realities, while allowing for innovation and creativity to be fully exploited by all partners involved.

Finally, involving staff in the different stages of the design and delivery process, as well as investing in their professional development are both very important. This helps develop ownership and commitment to the single point of contact by all partner organisations, stimulate trust, promote buy-in and facilitate an ongoing dialogue between the parties.

4. Topic 2: Job integration agreement

Drawing up a job integration agreement between the registered long-term unemployed and single point of contact fosters targeted and continued guidance and support. A job integration agreement can help the long-term unemployed to re-enter the labour market. Simultaneously, the agreement can support job counsellors in monitoring progress of the long-term unemployed person.

⁵ European Commission (2016): COM Fact Sheet Long-term unemployment: Council Recommendation – frequently asked questions.



Individualised job integration agreements

As outlined in the Council Recommendation, the job integration agreement should contain an **individualised set of measures** along with goals, a timeline, and specific obligations for the long-term unemployed, accompanied by **positive incentives** for achieving these commitments. Where the individual fails to comply with the goals and obligations outlined in the agreement, he or she should be warned of a possible sanction, if that non-compliance continues.

In terms of implementing these stipulations, the approach needs to be balanced and **take account of the personal situation** of the long-term unemployed person. Therefore, frequent contact between the job counsellor and the long-term unemployed person is key for motivation and support, and monitoring requirements that can lead to sanctions. In this context, it is important for the job counsellor to balance and fine-tune *supportive* and restrictive elements. Moreover, clear progressive goals, milestones and regular meetings help clarify the obligations of the long-term unemployed. In particular, the long-term unemployed who find themselves furthest away from the labour market can benefit from job integration agreements that outline **interim targets** in their pathway towards employment. For example, for a single parent with low qualifications and mental health problems, interim goals could include child care and health support, or seeking voluntary work or an internship opportunity to help them gain soft skills, all of which could support employment in the longer-term.

Early and frequent contact

The **frequency, intensity and quality of meetings** between the job counsellor and the long-term unemployed person play a central role for activation. Experience shows that the re-integration of the long-term unemployed becomes progressively more difficult (and costly) with longer spells of unemployment. Early and frequent contact between the long-term unemployed and job counsellors can significantly shorten the unemployment period⁶. This would, however, require lower caseloads per job counsellor for many PES. Empirical studies show

that a ratio of 1:60 results in higher job-placement rates, and a pilot project in Germany applying a ratio of 1:100 resulted in fiscal savings due to higher transitions into employment⁷.

Frequent, early personal contact allows the job counsellor to understand the needs and skills of the long-term unemployed person and enables more timely and personalised referral to other services and jobs. Therefore, early and frequent contact also requires an **investment in staff members and training**. For example, Danish job centres use a 'Contact Plan' that is based on intensified contact in the first six months of unemployment and after 16 months of unemployment. The long-term unemployed person is actively involved in planning the meetings and job counsellors are trained to use empowerment and motivational tools⁸.

Profiling

Profiling systems are used by most PES at the beginning of a jobseeker's unemployment spell in order to provide the most appropriate services and prevent LTU. For example, Poland and Italy are planning to introduce profiling systems whereby jobseekers are divided into different groups reflecting how *job-ready* they are. Alternatively in Denmark, profiling is used to identify people at risk of long-term unemployment who are then offered intensified services (preventative).

Experience shows that more **holistic approaches to profiling** enable ambitious, but achievable integration agreements. Such approaches are based on 1) statistical tools with a reliable data source, 2) in-depth assessment of previous employment and qualifications, barriers, interests and soft skills by a qualified job counsellor and 3) self-assessment of the jobseeker.

Finally, the involvement of the jobseeker enables **early identification of barriers** to employment. For example, the "Bilan de compétences" (competence assessment) used by the French PES is a self-assessment tool that is used by the jobseeker and job counsellor to identify needs, professional interests, skills and motivation. In that way, the tool

6 Rosholm (2009): Controlled Danish Study ('Hurtigt i gang 2'). Report for the Danish PES (Styrelsen for Arbejdsmarked og Rekruttering).

7 Spermann (2015): How to Fight Long-Term Unemployment: Lessons from Germany. Report for the Institute for the Study of Labor.

8 See presentation by Diana Kringelbach at PES Network Conference 'Integration of the Long-term Unemployed' on 2 June 2016.



fosters a personal relationship between the job counsellor and the long-term unemployed person, so that personal barriers to employment are identified at an early stage.

Joint job integration agreements

Successful labour market integration depends both on the competences and capacity of PES and their partners. Joint job integration agreements between different partners can help to outline the cooperative approach between different services for a long-term unemployed person. For example, in the “Activation Programme” for people with mental-health issues coordinated by the Belgium-Flanders PES in cooperation with a provider, a joint action plan is shared between PES, a health coach and an empowerment coach.

5. Topic 3: Job integration partnerships

The delivery of integrated services through partnerships between the demand and the supply side of the labour market can provide a more comprehensive service offer. This allows for a tailored approach to re-integrating the long-term unemployed and more efficient use of resources, expertise and skills.

Job integration partnerships among public and private service providers

PES partnerships on the supply side of the labour market include different actors, ranging from public employment and social support services, through to training institutions, social partners, NGOs and private agencies. PES partnerships between these actors vary across Member States, differing in terms of scope (local/regional/ national), depth of cooperation (informal/formal), target groups and implementation stage (/project/long-term programmes) and forms of working together (between individual staff members/teams or organisations).

Challenges of partnership working often include:

- Working across different governance levels, for example, municipalities and national PES;
- Different legal responsibilities of public actors;
- Insufficient capacities and resources to work across sectors;
- Different work approaches, for example, the ‘work-first’ approach of some employment

services versus the stability and social support prioritised by health professionals or social workers.

Ways to address these challenges include:

- To establish a common approach between partners outlining common goals;
- To define responsibilities and ways of working together; and finally
- To agree on the budget and data sharing.

Shared data sharing systems that use the same terms have the potential of simplifying partnership working and saving costs. For example, the Belgian-Flanders PES uses the World Health Organisation’s ICF (International Classification of Functioning) system to streamline support to the long-term unemployed. The PES creates one file for every jobseeker (who has to give consent), which is then shared with health and social support services. This avoids different agencies giving conflicting advice to a jobseeker, reduces duplication and allows for a more holistic approach to counselling.

PES partnerships with social support services

Partnerships between PES and social support services can be particularly effective in re-integrating the long-term unemployed into the labour market and reducing public costs. More specifically, the cooperation with social support services and social assistance authorities, often provided at municipal level, is essential to the successful **outreach to non-registered unemployed** and the provision of comprehensive support. The combination of employment services with social support services can assist individuals **to overcome obstacles to employment**, for example, through the provision of child care or long-term care services or by addressing housing issues, mental-health problems or substance-abuse issues.

There is strong evidence that long spells of unemployment have a negative impact on physical and mental health. The long-term unemployed are at higher risk of poverty and social exclusion⁹. A successful and sustainable transition to employment is therefore not only an investment in human

⁹ Brenner (2013), Unemployment and heart disease mortality in European countries, Final Report for the European Commission and Nichols et al (2013), The consequences of long-term unemployment, Urban Institute.

capital, but has wider social implications, impacting health, social participation and the future of children with long-term unemployed parents. For example, in the German “Tandem” project targeted at 600 families in Bavaria, social workers work together with PES job counsellors in order to support a family in a holistic way. The goal is to prevent the ‘inheritance’ of unemployment. The project has shown to have had a positive long-term impact on the whole family, in particular, leading to increased self-esteem of the long-term unemployed customers.

Moreover, the cooperation between PES and social support services is not only beneficial for the individual long-term unemployed person, but also has an impact on the **effective use of public resources**. In terms of social security payments, evidence exists from Germany and the UK that institutional integration or full cooperation between employment services and social assistance is effective and cost-efficient¹⁰.

PES partnerships with NGOs and private providers

Many PES cooperate with NGOs and private providers. The extent to which PES outsource counselling, job matching and job-search assistance services varies across Member States, ranging from subcontracting systems in the UK (‘supply chain’ model) to voucher-type services in the Netherlands. In terms of partnerships with NGOs, they often fulfil similar functions to public, social support services, as they cater for vulnerable groups who face varied social problems.

NGOs or private providers are often contracted to **provide more specialised services, which enable PES to remain flexible in their own service provision**. For example, under the “Activation Programme”, the Belgian-Flanders PES contracts a provider specialised in supporting people with mental-health issues. Combined services are provided by the PES job counsellor (who offers employment services) in conjunction with the services offered by a health coach and an empowerment coach (who both address health and social issues). Moreover, working in partnership with private providers can help engage more effectively with employers, as they might have more links with employers in some countries.

However, in order to maximise the gains and minimise the risks associated with contracting employment services to private providers, specific emphasis needs to be placed on the design and the management of (sub) contracting systems. **Procurement selection criteria and contracting models have a substantial impact on service delivery**. Providers can be incentivised to provide effective and quality services with **payments linked to results**. PES remain accountable for service provision and play a vital role in ensuring quality and performance of the services delivered, which they can do by meeting with providers, conducting site visits and collecting and evaluating client feedback. For example, in the Irish “Job-Path” programme, job sustainability is measured so that private providers receive payments after 13, 26, 39, 52 weeks of the jobseeker becoming employed. Moreover, the PES checks the quality of the services by on-site checks and inspections, independent customer satisfaction surveys and penalties if the service was not satisfactory.

Job integration partnerships with employers

Partnerships with employers are essential: integrating the long-term unemployed into the labour market primarily depends on the availability of jobs. Communication and cooperation between PES, the client and the employers are important to ensure a **good match** between the long-term unemployed person and the company.

PES can build good relations with employers by **understanding their business needs** and **identifying the skills and qualifications** that are important for the employer. Furthermore, **focusing on the abilities** of the long-term unemployed helps address stereotypes and barriers to employment, while managing expectations. Two PES show positive results from employer-focused approaches:

- In the UK PES, a specialist employer team provides a single point of contact for employers, regularly monitoring employment opportunities for the long-term unemployed and developing specific knowledge and relationships with companies.
- The Danish PES has operated for many years with teams of company consultants at local level who help to place the vulnerable unemployed in company programmes.

¹⁰ Csillag, Fertig (2015) Cost-benefit Analysis of Remedial Interventions for the Long-term Unemployed, Final Report for the European Commission.



Recruitment measures can also contribute to sustainable job integration, such as the simulation recruitment model in France. For specific sectors (such as catering), this tool simulates work-based situations with the long-term unemployed over the course of a few hours (effectively placing the person in an 'in-work situation'). If the person shows that he or she has the right skills and attitudes for that occupation, they are offered a job interview with an employer. This assessment helps people to show how they meet the skills needed for the job.

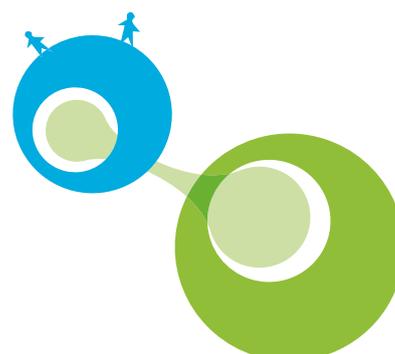
Finally, **in-work support** for both employees and employers increases the sustainability of employment. This can be done in partnership with other sectors, for example, in-work support with health professionals for people with health problems.

6. Support for the implementation of the Council Recommendation

The conference discussions provided PES and other stakeholders with an opportunity to exchange experiences and share expertise. As pointed out by the Commissioner Marianne Thyssen, this enables PES to improve performance and deepen cooperation with partner organisations to address long-term unemployment.

The conference served as a basis to consider support needs for a successful implementation of the Council Recommendation and as a next step the following measures could be considered:

- Identifying enablers and minimum quality standards that take account of the different legal frameworks, organisational settings, characteristics and approaches towards the long-term unemployed across Member States.
- Identifying and disseminating good practice examples of:
 - Establishing a single point of contact;
 - Implementing effective job integration agreements; and
 - Setting up job integration partnerships and partnership delivery at municipal, regional and national level.
- Reviewing staff training and capacity in order to strengthen the role of job counsellors regarding the assessment process (early intervention and profiling as a preventative measure) and preparation of a job integration agreement.
- Assessing existing and potential new pilots that can generate evidence for the effective and sustainable labour market integration of the long-term unemployed.



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