



Small Scale Study on PES Business Models

June 2014

Authors:

Anna Manoudi, Anne Mari Nevala-Hall, Ágota Scharle, Márton Csillag, Helen Metcalfe, Claire Duchemin, Ines Maillart

The report is based on the contributions provided by the EU PES in response to the 2014 PES Questionnaire, during March-May 2014.

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List of Acronyms

ADEM - L'Agence pour le développement de l'emploi (The Public Employment Service in Luxembourg)

ALMP – Active Labour Market Policy

BE-Actiris (The Belgium Public Employment Service in the Brussels region)

BE-Le Forem (The Belgium Public Employment Service for Wallonia)

BE- VDAB – Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding (The Belgium Public Employment Service for Flanders)

ESF – European Social Fund

EUIF – Estonian Unemployment Insurance Fund

HRDOP – Human Resource Development Operational Programme

IAP – Individual Action Plan

NEETs – (Young people) Not in Education, Employment or Training

NGOs – Non-Governmental Organisations

OHP - Voluntary Labour Detachments (Poland)

PES – Public Employment Service

Pôle Emploi – Public Employment Service in France

SMEs – Small and Medium sized Enterprises

YG - Youth Guarantee

YGIP - Youth Guarantee Implementation Plan

Executive Summary

In view of the challenges generated by transitional labour markets, PES should pursue an activation policy with sustainable outcomes as stated in the Public Employment Services (PES) 2020 Strategy Output paper. At the same time, PES have to focus more on the demand side of the labour market as employers are facing increasing recruitment difficulties. Moreover, with the introduction of the Youth Guarantee, there is an appreciation that PES have to adapt their business model to respond to the challenges of youth unemployment, and to cooperate and help co-ordinate the efforts of a range of actors. The purpose of this study is to examine how PES are organised, their main tasks, the scope of their remit, clients and services and the extent to which the PES are adapting their business model to respond to these requirements. The study aims to provide an information base to support the work of the newly created EU PES Network¹. It is based on the analysis of information provided by 30 PES through a questionnaire completed between February and May 2014.

The first component of different organisational models is whether PES are judicially autonomous from the government, i.e. whether they are executive agencies (generally under the direct control of the Labour Ministry) or autonomous public bodies. The second dimension of organisational models is decentralisation across the levels of PES organisations. The third dimension of organisational models concerns whether social partners have a supervisory role in the PES or not.

The PES management structure is largely related to the three dimensions described above: that is, relationship to the government, decentralisation, and the involvement of the social partners. Three broad classes of management structures can be distinguished: countries where the PES is part of a ministry or is a government executive agency; countries with insurance-based welfare state traditions, where the PES is an autonomous public institution; and countries with a highly (locally) decentralised management structure.

The performance targets adopted by PES can be categorised along two dimensions: whether these are outcome indicators (as opposed to process or activity-based indicators), and whether they are specific/quantitative (as opposed to a general statement about the target). Nine countries use outcome-based quantitative performance targets which can contribute to higher levels of accountability.

In terms of the mix of financial resources of PES, the patterns observed are that in countries where the PES budget incorporates unemployment benefits or unemployment allowance payments, social security contributions tend to be the major source of finance and ESF plays an important part of the PES budget, especially in the new Member States.

The share of staff working at regional/local offices is directly related to the institutional organisation and hierarchy of the PES, as well as the size of the territory serviced. In the large majority of cases, 65 % or more of staff were employed by regional/local offices. It also emerged that in almost all of PES, 65 % or more of staff works in direct contact with clients (with the notable exception of CZ and MT). In terms of the 'depth' of services, the caseload of clients for front line staff ranges from a high of 928 clients a year in Slovakia to 135 clients a year in Germany.

Turning to the PES client base, PES throughout the EU are increasingly focussing attention on the activation of hard to reach groups, rather than only providing services to the traditional clientele of unemployed claiming unemployment benefits. Based on the questionnaire responses, evaluation practices are not widespread in all PES: 19 reported that they undertake evaluation of services provided to the unemployed in some form but eight PES do not yet have established evaluation cultures in place.

PES regularly come into contact with employers through the registration of vacancies, and in all countries they offer general information on recruitment possibilities, the availability of wage subsidies etc. A total of 20 PES also offer employers assistance in human resource tasks, including pre-selection of (unemployed) job applicants, general advice on recruitment practices, or support on the training of employees. All PES use some form of segmentation of their employer clients, generally

¹ COM (2013) 430 final, Decision of the European Parliament and of the Council, on Enhanced Cooperation between the Public Employment Services, Brussels, 17.06.2013

based on industry, region or size, however, only a small number offer targeted services to specific groups of employers; 19 PES evaluate the effectiveness of their employer services.

In terms of other clients, the obligation for some groups of welfare recipients to register at the PES is an alternative method of assuring that they can also be targeted by activation services and 13 PES have stated that they use this opportunity to reach a much larger population of non-employed persons than those eligible for unemployment benefits. However, the integration of PES and social security agencies is not universal: unemployment benefits are not administered by 12 PES.

The study has also analysed PES responses in relation to the role of PES in implementing the Youth Guarantee. Key findings are that PES are central players in the implementation of the Youth Guarantee in almost all EU countries. According to the PES responses, the PES is the main Youth Guarantee service provider and in charge of coordinating relevant partnership in 13 EU countries. The ministry of labour tends to hold the management and coordination responsibility in most of the remaining countries.

According to the PES questionnaires, PES are the main implementation and / or referral body of the Youth Guarantee in most countries even when they do not hold the overall management responsibility, or they are a key partner in the delivery of counselling, job-search support and/or ALMPs.

The impact of the Youth Guarantee on PES services in most countries relates to an improvement/adaptation of the offer to take better consideration of the needs of young people. In about half of the countries that responded, the PES have recruited, assigned and / or trained staff to work exclusively with the Youth Guarantee client base. Finally, some countries are undertaking a reorganisation of their youth specific services (BE-Actiris, HR, IT), while others are introducing new active labour market measures (e.g. BE-Le Forem, CZ, HR, EE, EL, IT, PT, SI) such as job clubs, and employer subsidies.

'Core' PES interventions in relation to the implementation of the Youth Guarantee include the provision of personalised guidance, individual assessment of needs, cooperation with employers to integrate young people into work and employer incentive schemes. Common PES interventions (in most MS) include: school-based reintegration programmes (referral service, proactive work in schools and training institutions); and subsidies to young trainees and employees including financial support to apprentices. Moreover, some countries (e.g. ES, IT, MT, PT) also offer other measures, such as practical and/or financial support for aspiring young entrepreneurs.

Looking at the core elements of PES modernisation as highlighted by the PES 2020 Strategy output paper, the study identifies some areas of progress. Almost two-thirds of the PES (19 out of 30) report to have a lead co-ordinating role in stimulating labour market actors to cooperate and innovate. Over half of PES report that they regularly monitor the structure of labour demand, the skill requirements, mix of job vacancies, and how it relates to the composition of jobseekers. New services to employers are offered in 17 countries. Last but not least, there is an observable trend for the adoption of outcome based, quantified targets which ensures accountability.

1 Introduction

The modernisation of Public Employment Services (PES) has been an essential element of the European Employment Strategy. Restructuring has been on-going, since PES have to continuously adapt their role to respond to labour market challenges arising from economic shocks, but also from demographic and technological changes. A common strategy has been endorsed by all European PES describing the changes that are required in the role and function of PES in order to contribute to meeting the EU 2020 objectives in the PES 2020 Strategy Output paper².

The PES 2020 Strategy Output paper, states that PES should pursue an activation policy with sustainable outcomes, in view of the challenges generated by changing labour markets that requires increasing integration and adaptation capabilities. At the same time, PES have to focus more on the demand side of the labour market as employers are facing increasing recruitment difficulties. Moreover, with the introduction of the Youth Guarantee, there is an appreciation that PES have to adapt their business model to respond to the challenges of youth unemployment, and to cooperate and help co-ordinate the efforts of a range of actors through a conducting role.

The study is an up-date of the previous study on PES Business Models undertaken in 2011³ with the aim of obtaining an updated insight into PES organisational and financing models, levels of human resources, mix of services provided to clients, and examining the extent to which PES are adapting their business model to respond to the changing requirements and challenges of the labour market. The study will also provide an information base to support the work of the newly established PES Network at EU level⁴.

The updating exercise finally aims to obtain additional information on the role of PES in the implementation of the Youth Guarantee (YG)⁵.

The present study is composed of:

1. The present '2014 Small Scale Study on the PES Business Models'.
2. A total of 30 country fiches highlighting in more detail the characteristics of each PES.

² Public Employment Services Contribution to EU 2020: PES 2020 Strategy Output Paper, available at: <http://ec.europa.eu/social/main.jsp?catId=105&langId=en>

³ The results of the 2011 study are available at: http://www.mobilitypartnership.eu/Documents/SS1_PES%20Business%20Models_Final.pdf

⁴ 573/2014/EU Decision of the European Parliament and of the Council of 15 May 2014 on Enhanced cooperation between Public Employment Services (PES). Available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.159.01.0032.01.ENG

⁵ The Youth Guarantee refers to invitation by the Council to EU Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

2 Methodology

The study is based on information collected through a questionnaire sent to PES in February 2014. Prior to the launch, the questionnaire was piloted by a small number of PES (AT, DE and UK). The questionnaire consisted of nine sections, listed below:

1. Basic organisational model
2. Financing model
3. Human resources
4. Integration of employment services and benefit provision
5. Clients / customers
6. Types and methods of service provision
7. Supporting young people
8. Job vacancies, market share and performance
9. Active labour market policies

All EU PES submitted completed questionnaires.⁶ The quality of responses was generally high, however responses for some questions proved more problematic than others, for example, questions related to sources of finance and market share. Follow up was undertaken with countries to obtain as accurate and as much current information as possible where questions arose in terms of the clarity of the data.

A section on the role of PES in the implementation of the Youth Guarantee was added to this updated study in light of the increasing involvement of PES in the implementation of the Youth Guarantee.

The chapters that follow present a summary of the results of the questionnaires completed by the PES. Aggregated results from the responses are presented in section 3 and the analysis of the PES role in the Youth Guarantee can be found in section 4.

It is important to note that the analysis of results has some limitations due to the analysis being dependent on the responses provided by the PES. Inevitably, the responses varied in terms of timeliness, quality, level of detail provided, but also in terms of how the PES collect data in different formats (for example via different methods or using different definitions). In some cases PES use different definitions, which make the comparability of data particularly difficult (for example in estimating the PES market share). These factors place limitations on the comparability of responses between different countries.

⁶ This includes 28 EU Member States, including three employment services operating in Belgium (Actiris, Le Forem and VDAB)

3 PES Business Model Characteristics

3.1 PES organisational models

3.1.1 Autonomy and decentralisation

Although there has been very little change over the past three years in terms of the organisational structure of PES, it is important to review the main aspects of PES organisational models⁷.

The first dimension of different organisational models is whether **PES are judicially autonomous from the government, i.e. whether they are executive agencies** (generally under the direct control of the Labour Ministry) **or autonomous public bodies**. In practice, the crucial difference between the two is that while executive agencies carry out the policies defined by the government, PES that are autonomous can propose policies within guidelines set by the government.

The large majority of PES are executive agencies (e.g. BG, CZ, HU, LT, UK), usually reporting to the national ministry which is responsible for employment policy. Executive agencies are often associated with centralised decision-making and administrative performance incentives.

On the other hand, autonomous public bodies (e.g. AT, DE, EL, FI, SE) are characterised by autonomous decision-making, financial autonomy and accountability based on contractual obligations. However, the latter elements also appear in countries where PES are executive agencies through political and managerial decentralisation (e.g. BE, DK, ES).

The second dimension of organisational models is decentralisation across the levels of PES organisations. This refers to whether the design and the implementation of labour market policies are autonomously done at the regional or the local (municipal) level. Naturally, PES decentralisation is closely related to the involvement of regional (municipal) governments in labour market policy decision-making. This in turn is related to political and governance decentralisation.

The third dimension of organisational models concerns whether social partners have a supervisory role in the PES or not.

It is worth highlighting two examples of interesting organisational models, which differ along the three dimensions mentioned above.

In **France**, the PES (Pôle Emploi) is an autonomous public institution and its principal objectives are set by a tri-partite agreement between the government, the PES and the Unemployment Fund. The Pôle Emploi management decisions are taken by the Board of Directors where the government, the trade unions and employers' organisations have equal representation. While the regional PES elaborate the regional strategies under the supervision of the Director of the PES, **the decision-making of the PES is top-down with an element of regional autonomy**. However, the lower level (the county and local) PES have no financial, and limited managerial, autonomy. Accountability is assured by a complex administrative monitoring system. More specifically, the distribution of activities between the different levels takes place in accordance with the principle of subsidiarity. At national level, Pôle Emploi is mainly in charge of the design and development of functional national policies, the implementation of some aspects of these policies and the evaluation of results. The regional level is responsible for the development of the regional strategy in line with the national policies but adapting them to regional needs. The territorial level ensures the adaptation of the regional strategy to the specificities of the territory. The local level is at the

⁷ It is worth keeping in mind that the organisational models largely influence the governance systems of PES, in other words the complexity of (a) which agents set goals and in which areas, (b) who determines the tools budgets with which to reach these goals, (c) how are resources allocated and (d) how are different agents held accountable for their actions.

heart of the provision of services to clients (job seekers, beneficiaries or employers) which represents its main activities.

In contrast to this model, the PES in **Poland** operates in a decentralised manner. The main goals of the PES are set by the Ministry of Labour and Social Policy and the Ministry distributes the Employment Fund financial resources across regions. The provincial PES are subordinated to the provincial level of government – with the directors of the regional PES being appointed by the head of the provincial government - and propose labour policies after consulting with the provincial government, the county councils and social partners; the Minister of Labour, therefore, performs a co-ordinating role in a regionally decentralised model. Similarly, at the county level, the PES are also part of the county administration and implement the policies proposed by the provincial PES **with considerable autonomy in financial and management issues**. In this model, PES performance is overseen by the provincial council, who are ultimately politically accountable.

3.1.2 Management structures

The PES management structure is largely related to the three dimensions of organisational models discussed above: relationship to the government, decentralisation, and – to a lesser extent – the involvement of social partners.

Three broad classes of management structures can be distinguished:

- Countries where the PES is part of a ministry (for example: IE, UK) or is a government executive agency (for example: HU, SE). In these cases, decision-making is highly centralised and the social partners have no supervisory role.
- Countries with insurance-based welfare state traditions, where the PES is an autonomous public institution. In these cases, the management structure is complex with managing boards at the centre and with different layers of decision-making at local level. The management of Pôle Emploi (FR) is a good example of this model. The main decisions are taken by the executive director and the board of directors, with a financial audit and a policy evaluation committee (composed of external experts) providing analyses and recommendations to help the decision-making process. At the same time, supervision is carried out by a monitoring committee which ensures that the objectives of the tri-annual conventions are followed. The regional and territorial level decisions are also taken by a board of directors.
- Countries with a highly (locally) decentralised management structure. The management structure of PES in this category diverges somewhat from the models outlined above. For example, as already mentioned in the case of Poland, the PES is part of the provincial (regional) self-government, and as such is under the direct control of the provincial governor. Social partners are involved in the local labour market councils, which fulfil an advisory role.

3.1.3 Objectives and performance targets

All European PES share the same set of basic objectives: reducing the unemployment rate; increasing employment; and, ensuring the efficient matching of labour supply and demand in order for jobseekers to find suitable employment.

While a large number of PES do not specify goals beyond these basic objectives, some small differences in the objectives of PES can be identified. There are four general types of policies and targets stipulated. Firstly, a number of PES place special attention to groups further away from the labour market, including younger or older jobseekers, persons with disabilities, and the long-term unemployed (for example: CZ, DK, PL, SE, UK). The second type of objective is the development or strengthening of active labour market policies, specifically activation programmes (UK) or vocational training programmes (ES, PT). Thirdly, a general increase in effectiveness and efficiency is prioritised in FR, IT, LT. Finally, some PES mention the payment of adequate non-employment benefits in order to avoid social exclusion (e.g. NL).

As already identified in the 2011 study, the participation of local and regional offices in target setting and monitoring of performance tends to be more developed where the PES are relatively independent from government.

Between 2011 and 2014, **target-setting and management by performance have become central management methods for modern public sector bodies**. However, while almost all PES use yearly performance targets, there are large variations in the number, the type and the content of these targets⁸.

The performance targets adopted by PES can be categorised along two dimensions:

- Whether these are outcome indicators (as opposed to process or activity-based indicators); and,
- Whether these are specific/quantitative (as opposed to a general statement about the target).

For example, an activity-based general target is to 'collect more data on jobseekers', while an outcome-based quantitative target is '30 % of new claimants of incapacity benefits should be placed in employment within a year'.

The types of performance targets adopted by different PES are summarised in the table below.

Table 3.1 PES performance targets

	Outcome targets	Process / Activity targets	Both outcome and process targets
General targets		BE-Actiris, BE-Le Forem, CZ ES, EL, HR	
Quantitative targets	AT, CY, DE, EE, FI, NL, PT, RO, UK		HU, SE
Both general and quantitative targets		IT, LV, LT	BE-VDAB, BG, DK, FR, IE, SI

The above patterns are important, since outcome-based, quantitative performance targets can contribute to higher levels of accountability and effectiveness of PES activities.

3.1.4 Conducting function, partnerships and information management

The PES mission, as set out in the PES 2020 strategy, indicates that conducting implies stimulating labour market actors to cooperate and innovate, collaborating closely with a wide range of partners. The majority of PES surveyed (21 out of 30) stated that they have a lead co-ordinating role (conducting function) in stimulating labour market actors to cooperate and innovate. Seven countries (DE, HU, IE, LV, NL, PT, SK) responded that they do not have such a role, while the Slovenia PES responded that they 'partly' have this type of role.

PES have partnerships with a large number of other organisations. These fall into the following main categories:

- Regional and local governments;
- Training institutions;
- Non-profit and for-profit service providers;
- Large employers and employers' organisations.

First, in all European countries, local PES carry out their labour market policies in agreement with (and sometimes co-financed by) local governments in order to ensure that these policies are more in line with local needs. Second, since the vocational (re)training of jobseekers is

⁸ The only PES having reported not having specific targets was SK

not integrated into PES, there is a need for co-operation with training providers that is generally done through tendering procedures or voucher schemes. Similarly, the counselling and complex activation of difficult to place jobseekers is also subcontracted to specialist non-profit organisations. Finally, PES often set up agreements with large employers (or employers' associations) in order to ensure apprenticeships for young jobseekers, to pre-screen jobseekers or to diagnose future labour market developments and training needs. While the Survey does not provide specific information on how the quality of each partnership is assured, most PES confirm that for training institutions and external providers either minimum standards and activity monitoring, or outcome-based targets, are set and enforced.

Coordination of the various activities of PES requires a high level of information sharing, monitoring jobseekers' progress in the PES system (and vacancies) leads to immense data collection needs. The Survey can only provide a partial picture of the management of these issues. While PES compile and store a large amount of information about jobseekers, it is less clear how accessible information about jobseekers professional histories, profiling tools etc. are to caseworkers during everyday operations. PES also increasingly use websites (alongside traditional means of telephone hot-lines, information meetings, printed media etc.) to share information about the activities of the organisation externally. Several PES also report using social media to promote their activities (for example, BE-Le Forem⁹); others have also developed mobile applications in order for jobseekers to have readily available information on vacancies (for example BE-VDAB, FR, SE). Furthermore, online self-servicing is now an integral part of the multi-channel approach of a number of PES (for example EE, NL, SE).

3.2 PES Resources

3.2.1 Financial resources

In terms of the mix of financial resources of PES, the two main sources of financing of PES are government or public funding and social security contributions. Typically, in countries where the PES is responsible for the payment of unemployment and other benefits, social security contributions finance the larger part of the PES budget, and as a general rule the government tops up the PES budget to cover expenses. Finally, in many of the "newer" member states ESF is an important source of financing. Looking at this issue more in detail, the following patterns emerge:

- Government or public funding covers the large majority (85 % or more) of the PES budget in: BE-Actiris, BE- Le Forem, BE-VDAB, DK, FI, SE, SI, SK, UK;
- Social security contributions are the dominant source of financing (80 % or more) in: AT, DE, EE, HR, IE, NL, RO; while it also constitutes more than half of the financial resources of the PES in EL (67 %), FR, LT (both 60 %), PT, ES (both 55 %);
- European Social Funds is the largest source of financing in LV (85 %); it plays an important role in PT (40 %), LT and MT (both 30 %); while ESF is of only minor importance in SI (15 %) and SK (10 %).

As already noted in the 2011 Study, a comparative analysis of expenditure data is rendered difficult unless expenditure can be broken down by detailed function. There are two important factors that need to be taken into account. First, where unemployment and other benefits are paid out of PES budgets these generally account for a large proportion of the total, distorting comparisons with countries where these are not included and dominating changes through time. Second, there are differences across countries in whether expenditure on ALMP measures (for example) financed from ESF are accounted for in the PES budget.

Keeping the above limitations in mind, we observe the following patterns.

⁹ BE-Le Forem has a strong social media policy using daily publication on its Facebook page to call attention to activities, particularly difficult to fulfil vacancies and online services of the PES.

Analysis of the data provided by 27 PES on 2012 and 2013 expenditure shows increased expenditure in 2013 for the majority (19) compared with 2012. For 11 PES, expenditure increased by more than 10%, while for another 8 PES expenditure increased by under 10 %, and for almost one-third (6 PES) 2013 expenditure increased by under 5 % compared with 2012.

3.2.2 Human resources

PES were asked to provide information on their human resources at the different organisational levels (e.g. central, regional, local) and identified the proportion of those who service clients directly (jobseekers and/or employers). The **share of staff working at regional/local offices** is directly related to the institutional organisation and hierarchy of the PES, as well as the size of the territory serviced. In the large majority of cases, 65 % or more of staff were employed by regional/local offices.

It also emerged that in almost all of PES, 65 % or more of staff work in **direct contact with clients**. Notable exceptions are CZ; BE-Actiris, DK, MT and PL, with below average proportions of staff directly servicing clients.

The 2013 data shows that there is considerable variation amongst the PES in the proportion of staff who are directly engaged in servicing clients; this ranges broadly from 35 % (CZ), to over 85 % (SK, NL and AT). A total of 24 PES provided this information, with an average of 69 % front-line staff per PES.

The trend for prioritising front line staff appears to have continued over the past four years. A quarter of PES (6 out of 23) increased the proportion of their staff who directly service clients by more than 25% and another 10 PES increased such staff by up to 10%. The highest percentage increases were in Malta, while the Czech Republic experienced the highest percentage decrease in staff directly serving clients between 2012 and 2013¹⁰.

In terms of the 'depth' of services or the attention devoted to clients, the caseload of staff is analysed in Section 3.3.2

Twenty-five PES reported changes in staff numbers between 2012 and 2013. Staff numbers increased in two-thirds (16) of PES in 2013, and decreased in one-third (9) in 2013. Where similar data is available for both years (17 PES) it shows that, for the most part, the scale of staff changes was not extensive.

The reasons for increases in PES staff numbers in 2013 were varied. The requirement for additional staff was primarily driven by a need to be able to respond more effectively to increasing numbers of unemployed registering with the PES (e.g. Croatia) or to liaise more effectively with employers (e.g. Czech Republic). General cuts in central government funding and public service staff was most frequently cited as the key reason for reductions in PES staff numbers in 2013. This was the experience of PES in SE, IE, SI and BE-VDAB.

3.3 Clients / customers and services

3.3.1 Jobseekers

PES throughout the EU are increasingly focussing attention on the activation of hard to reach groups, rather than only providing services to the traditional clientele of unemployed claiming unemployment benefits. As a consequence, a large number of PES segment non-employed into specific groups and offer them programmes that are tailor-made for their needs. In this section, we provide a brief overview of the categorisation most used by PES. However, in many cases, the information provided by PES on how they categorised the non-employed was insufficient.

The most widely used categories were:

¹⁰ This can be explained by the fact that the Czech PES took over tasks from other state authorities in 2012 and a large number of PES staff had to be moved to those tasks as opposed to servicing jobseekers directly as front-line staff.

- Eligible for unemployment benefits;
- Age: youth and older jobseekers;
- Long-term unemployed;
- Health impaired/disabled.

In addition, some PES also record more specific groupings. These include legal migrants (AT), women returning from maternity leave (BG, IE), former substance abusers (LV), and ex-offenders (EE).

It is by now an accepted practice that clients deemed harder to place, after an initial screening interview, receive more intensive support from their counsellor. This practice has been recently formalised in some countries. For example, in both FR and IE (in FR a screening interview is used whilst in IE a statistical profiling model is used) jobseekers are divided into three groups and PES are formally required to provide different types of services to clients in these groups. While those clients who are estimated to have a low probability of becoming long-term unemployed are given direct job referrals and advice on job search strategies, the most vulnerable clients are provided with intensive counselling, training opportunities and are targeted with additional activation services.

Finally, some PES also offer services to those who are currently not classified as unemployed. Most frequently, PES offer advice and information on vacancies to those who are changing jobs (this is the case in BE-Le Forem) and students (this is the case in AT, BE-Actiris, BE-VDAB, DE, EE, FI, HR, LV, NL, SI, PL).

The questionnaire also asked PES to provide information on the types of ‘services’ provided for their clients. All PES offer complex counselling and job search advice to their unemployed clients, and there is relatively little variation across PES in the types of services they provide. This general homogeneity may mask differences across PES in how intensive or effective these services are, however it is not possible to assess this based on the information provided in the questionnaire responses.

Evaluation of different services is essential to assessing their effectiveness, and for ultimately working out what is the most efficient use of public funds. However, based on the questionnaire responses, evaluation practices are not widespread in all PES: 19 PES reported that they undertake evaluation of services provided to the unemployed in some form. This is mostly done by internal evaluation that analyses the outcomes for clients. AT and MT use surveys among jobseekers, while BG uses visits to offices as methods for evaluating services. In contrast, eight PES (the majority from the “new” Member States) do not seem to have established evaluation cultures as yet.

The table below summarises the PES that undertake evaluation practices to assess the effectiveness of the services they offer to jobseekers.

Table 3.2 Spread of evaluation practices among PES

Services for jobseekers	
Countries that do undertake evaluation of services for jobseekers	AT, BE-Actiris, BE-Le Forem, BE-VDAB, BG, DE, DK, EE, FIN, FR, IT, LT, NL, MT, PL, PT, SI, SE, UK
Countries that do not undertake evaluation of services for jobseekers	CY, CZ, HU, IE, LV, RO, SK, EL

3.3.2 Caseloads

It is worth summarising the typical caseload of PES staff directly serving clients. This statistic is related to the variety of groups targeted by PES, the “breadth” of services provided and the extent to which services are delivered to clients in partnership with other organisations.

Sixteen PES provided information on this topic, with 13 having provided an estimate of caseloads defined as number of clients per client facing staff member, per year. There was

considerable variation in the size of reported staff caseloads; these ranged from the highest caseloads in SK to the lowest in DE and EE. A relatively low average caseload (170 - 180 clients/year) can be seen in BE-Le Forem and SE; a somewhat higher (210 - 250 clients/year) caseload in FI, IT, PL; and in some countries (CZ, FR¹¹, LT, MT) there are caseloads more than double the “low” category (350 - 390 clients/year) with caseloads exceeding 500 clients/year in BE-Actiris, EL, HR, IE and PT.

Caseloads are also categorised by some PES according to client category (in terms of age, welfare status, length of unemployment, disability or disadvantage) or to the type of service or scheme. For example, PES in Germany reported a caseload of 75 for Market Integration clients aged under-25, and a caseload of 150 for those aged over 25 years. In Malta, the caseload for mainstream clients is 396 and 214 for supported-employment clients. In Finland, there is a caseload of 209 per registered unemployed, and a caseload of 114 per job-seeker.

Caseloads also vary according to geography. Regional differences in size of caseloads were noted in Croatia and the Czech Republic. In Denmark, each local job centre has autonomy for the number of client-facing staff, and caseload-sizes vary accordingly.

3.3.3 Employers

While the PES 2020 strategy stresses the need to focus on demand side issues, what this means in practice warrants further attention, in light of recruitment difficulties. There is also a need for PES to help smooth transitions between learning and working and to increase the participation of vulnerable people in the labour market, which also requires close cooperation with employers.

A total of 20 PES reported that they also offer employers assistance in human resource tasks, including the pre-selection of (unemployed) job applicants, general advice on recruitment practices, or support on the training of employees. PES regularly come into contact with employers through the registration of vacancies, and in all countries they offer general information on recruitment possibilities, the availability of wage subsidies etc. The difference across PES is in the wealth of services that they provide in addition to general information. Additional advice services are available for companies who are undertaking major restructuring at seven PES.

All PES use some form of segmentation in their approach to employer clients and this is generally based on industry, region or size. Few PES offer targeted services to specific groups of employers. Future research is needed to map the prevalence and the content of tailor-made programmes for SMEs.¹²

Table 3.3 Services for employers

Specialised HR services (e.g. recruitment)	
Yes	AT, BE-Actiris, BE-Le Forem, BE-VDAB, BG, CZ, DE, EE, FI, FR, HR, HU, IT, LV, MT, NL, PL, PT, SE, SI
No	CY, DK, EL, IE, LT, RO, SK, UK
Other services (e.g. restructuring)	
Yes	AT, BE-VDAB, EE, FIN, HU, LT, SI
No	BE-Le Forem, BG, CY, CZ, DE, DK, FR, EL, HR, IE, IT, LV, MT, NL, PL, PT, RO, SE, SK, UK

A large number of PES (19) report that they undertake activities to evaluate the effectiveness of services for employers. In 12 out of the 19 PES that undertake such evaluations, regular

¹¹ It is worth noting that target caseloads numbers for clients in different ‘risk groups’ of becoming long-term unemployed vary, with 45 clients/PES staff for the most vulnerable clients to 182 clients/PES staff for clients expected to perform independent job search.

¹² A recent PES to PES Dialogue conference held in March 2014 called attention to this issue, please see <http://ec.europa.eu/social/main.jsp?langId=en&catId=1005&newsId=2043&furtherNews=yes>

satisfaction surveys are carried out, while in four countries this is done internally. Not surprisingly, it is overwhelmingly those PES that offer additional services to employers that gather information on their effectiveness, hence we can assume that it is these PES which attach special attention to good relations with employers.

Table 3.4 Evaluation of services for employers

Evaluation of services for employers	
Countries that undertake evaluation of services for employers	AT, BE-Actiris, BE-Le Forem, BE-VDAB, BG, DE, DK, EE, FI, FR, HR, IT, LT, NL, PL, PT, SE, SI, UK
Countries that do not undertake evaluation of services for employers	CY, CZ, BE-VDABEL, HU, IE, LV, MT, RO, SK

3.3.4 Other clients

The goal of increasing participation in the labour market critically has raised the issue of how to establish contact with groups other than those eligible for unemployment benefits, in order to target activation policies to people with looser ties to the labour market. A straightforward way of achieving this is to have the PES directly responsible for the payment of welfare benefits.¹³ This is the case in a number of countries where typically social benefits or minimum income (DE, ES, EL, HR, IE, SK), or a disability benefits (BE-VDAB, NL) are directly paid by the PES.

It is important to note that the obligation for some groups of welfare recipients to register at the PES is an alternative method of assuring that they can also be targeted by activation services. The countries that use registration for the group of social benefit/minimum income recipients as a way to reach a much larger population of non-employed persons than those eligible for unemployment benefits are AT, BE-VDAB, BG, DK, ES, FR, LT, NL, PT, RO, SI, SE, as well as those on disability or long-term sickness benefits in AT, DK, SE, UK.

Finally, some PES also offer services to those who are currently not classified as unemployed. Most frequently, PES offer advice and information on vacancies to those who are changing jobs and students (AT, BE-Actiris, BE-VDAB, CZ, DE, EE, FI, HR, LV, NL, SI, PL).

3.3.5 Integration of employment and benefit provision

One of the primary responsibilities of PES is the registration of unemployed people and checking the continued eligibility of unemployment recipients. However, the integration of PES and social security agencies is not universal, and hence the payment of unemployment benefits is not administered by the PES in 12 of the 28 cases covered. In these countries, PES have a specialised profile and exclusively deal with active labour market policies.

As mentioned earlier, in recent years there is an increasing trend towards targeting activation policies not only at those clients eligible for unemployment benefits (and unemployment assistance), but also at other non-employed groups receiving social benefits. In other words, more countries are setting up 'one-stop-shops'. The most recent example of this is the new 'Intreo' service established in IE in 2013, whereby jobseekers are required to register only at the PES to have access to a range of services and income support payments.

Table 3.5 Unemployment and other welfare benefit payment and registration requirements for different groups

Benefit payment	
Yes	AT, CZ, DE, DK, EE, ES, FR, EL, HR, HU, IE, NL, PL, RO, SK, SI, UK
No	BE-Actiris, BE-Le Forem, BE-VDAB, BG, CY, FIN, IT, LV, LT, MT, PT, SE

¹³ Please note, in some countries the distinction between unemployment assistance and social benefits or minimal income is no longer possible.

Benefit payment	
Other welfare payment	
Yes	BE-VDAB, CZ, DE, ES, FR, EL, HR, IE, NL, SK, UK
No	AT, BE-Actiris, BE-Le Forem, BG, CY, DK, EE, FIN, HU, IT, LV, LT, MT, PT, RO, SE, SI
Registration for others than unemployed	
Yes	AT, BE-Actiris, BE-VDAB, BG, CZ, DK, FR, HU, IE, IT, LT, NL, PL, PT, RO, SE, SI, SK, UK
No	BE-Le Forem, CY, EE, FIN, LV, MT
Additional clients (e.g. job-changers, students)	
Yes	AT, BE-Actiris, BE-VDAB, BG, CZ, DE, EE, HU, IE, FI, EL, HR, LV, NL, SI
No	BE-FOREM, CY, FR, IT, LT, MT, PT, RO, SE, UK

3.4 Active labour market policies (ALMPs)

The core of ALMP measures used by PES is quite homogenous¹⁴. Vocational training programmes are run by all PES, and 17 PES also report being responsible for organising apprenticeship programmes (where participants acquire skills within companies) aimed at young people. Another type of measure used by all PES is subsidised employment, albeit these measures are targeted to slightly different groups of unemployed people. Provision of financial support to business start-ups is also a widespread measure (with some exceptions, such as CY, DK, IE and LV).

The most important difference between PES in the measures aimed at the non-employed is in the use of public works programmes¹⁵. Virtually all “newer” Member States use some form of this measure (with the exception of MT and RO). Among the “older” Member States, public works exist in EL, IE and IT.

A large number of PES also have specific programmes targeting disabled persons varying from sheltered employment (DE, CZ, MT, NL, RO) to complex rehabilitation programmes (BE-VDAB, BG, DE, DK, FI, EL, HR, LT, PT). We can observe a recent move towards complex activation programmes which focus on a well-defined target group, as several PES reported starting new ALMPs of this type (long-term unemployed in DE, FI, HU, LV, and older persons in BE-VDAB, NL).

The delivery on LMPs, more precisely the extent of involvement of external providers is one area where there are considerable differences across PES. Virtually all PES outsource training, and often outsource apprenticeship and public works organisation, as well as other specialised services (e.g. rehabilitation for disabled jobseekers). The main dividing lines are whether external partners are involved in the complete process of counselling, job search advice and placement as opposed to the more specific services mentioned above, and whether this outsourcing involves private sector agencies as opposed to other public service providers. The most notable examples are DK, NL and the UK. In the first two countries the PES only takes a regulatory role and the provision of LMPs is under the responsibility of municipalities, while in the UK the PES contracts with private agencies. Two recent interesting developments are the introduction of the ‘Job Path Programme’ in IE, where employment services for jobseekers furthest away from the labour market can be contracted to private providers, with fees tied to jobseekers’ outcomes. In contrast to this, in FR, after a period of experimentation with the outsourcing of services, in the past five years the

¹⁴ An important exception is NL, where the PES is not responsible for the delivery of an active measures, this has been delegated to municipalities.

¹⁵ A further investigation of the exact content of these public works programmes might be fruitful in the future, since these can differ in whether they are obligatory for social benefit recipient and whether they offer additional services.

involvement of private providers has fallen by a third and services for the most vulnerable jobseekers have been re-integrated into the PES.

3.4.1 Target times for servicing clients in the different phases of intervention

Most PES have targets in place for processing benefit claims, setting up a first interview, compiling individual action plans (IAP) with clients or placing an unemployed client on an Active Labour Market measure.

A total of 18 PES provided some information on their target times for such interventions in 2013.

There is considerable variation between PES in terms of target times for working with unemployed clients. These include:

- Targets for processing benefit claims ranged from 8 days to 30 days; many PES do not process benefit claims.
- About half of PES aim to have a first interview within 15 days.
- Targets for preparation of an IAP vary from within a month to up to 6 months.
- Only a limited number of PES have target times for placing unemployed on an ALMP (BE-VDAB, CZ, LT, PT).
- Targets in some cases vary according to category of client (e.g. DE).
- UK differs from most PES in that it aims to have a first interview and action plan within 3 days.

In more detail, the scheduling of the first interview, as well as analysing the existence and the timing of signing an IAP, are fairly good measures of the formal commitment of a given PES to the urgency of activation of the unemployed.¹⁶ In all countries, the first interview with the unemployed person is targeted to be held within a month of the initial registration: in BG, RO, SE, UK it is to be held within the first week following registration; in DE, EE, FI, FR, HR, HU, LT, PT, SI it is scheduled by the end of the second week; while the PES in BE, MT and PL are allowed a month delay.

There is more variation with respect to the timing (and existence) of IAPs. Setting up an IAP is done within the first month after the unemployed person's registration in nine countries (BE-Actiris, BG, DE, EE, FI, FR, MT, PT, RO, SE, SI, UK), while the target time is 2-3 months in another six PES (BE-Le Forem, BE-VDAB, HR, LT, PL). Two Central European countries stand out as in CZ and SK the target time for establishing IAPs is 5 and 6 months respectively, and in HU only those unemployed participating in complex activation programmes (a minority of the unemployed) are required to sign such an agreement.

3.5 Job vacancies

Gathering information on job vacancies is a core task of PES, which comes in the form of employers voluntarily providing information.¹⁷ Employers can report vacancies through a variety of channels (free-phone, fax or web-based applications). Since a key objective of the PES is to maximise the number of job offers available to unemployed people, all PES also directly contact employers to enquire about vacancies, which can range from telephone interviews to visits to employers. This practice is widespread for keeping close ties with employers that have demonstrated willingness to recruit particularly difficult to place jobseekers (long-term unemployed, disabled people). A large number of PES also report organising (region or industry targeted) job fairs to establish links to employers. Furthermore,

¹⁶ Please note that the verification of benefit eligibility is often devoted to social security bodies where the PES is not directly responsible for the payment of unemployment benefit. Unfortunately, very few PES report having target times for placement into active measures, hence a comparative analysis of this issue is not possible.

¹⁷ This is largely the case also in countries where the reporting of vacancies is compulsory by law (for example Hungary and Romania), since the PES does not seem to have the tools to verify the opening of positions.

a number of PES reported actively using job advertisement websites to generate additional vacancies (for example AT, BE-VDAB, DK, NL).

In order to analyse the success of PES in job matching, the analysis turns to PES market shares in the next sub-section.

3.5.1 Matching of supply and demand – PES market share

Monitoring the structure of labour demand, or in other words, the skills requirements of job vacancies, and how it relates to the composition of jobseekers is essential for PES in order to increase the efficiency of matching the unemployed to potential employers. Thus, unsurprisingly, most PES report that they regularly assess this aspect (with the exception of CZ, CY, DE, EE, IE, MT, SK and the UK), at a disaggregated level.

For example, the Danish Agency for Labour Market and Recruitment calculates labour market imbalances for up to 1 100 job titles across four regions twice a year using a multi-stage model. While these types of statistical analyses can also be used to predict skill development needs, the majority of PES (18 out of 25) also specifically make an effort to appraise future training needs.

The methods used for this purpose vary widely across PES, ranging from expert studies to employer surveys.

Table 3.6 Matching supply and demand

Monitoring skill requirements	
Yes	AT, BE-Le Forem, BE-VDAB, BG, DK, FI, HU, HR, IT, LT, LV, NL, PL, PT, RO, SL
No	CY, CZ, EE, FR, IE, MT, SE, SK, UK
Market intelligence for future training needs	
Yes	AT, BE-Actiris, BE-Le Forem, BG, DE, DK, EE, FI, FR, HR, HU, IT, LV, MT, PL, SE, SL, UK
No	CY, CZ, GR, IE, LT, NL, PT, RO, SK

The 2014 PES Questionnaire exercise gathered data on the market share of PES, defined as “PES placements as a percentage of all hires across the economy”. In response, 14 PES provided some data on market share according to this definition, for the year 2013, with the share ranging widely between PES.

Alternative definitions of market share used included:

- Filled vacancies as a % of all vacancies advertised by PES (used in MT and PT).
- Share of all job vacancies on the first labour market that have been reported to the employment agency and will be included into its matching and placement process. This indicator is used in Germany, which notes intense seasonal variation in the indicator throughout the year.

Many PES commented on challenges associated with estimating or reporting market share. For example, the Czech Republic and Cyprus reported that data on all hires and or the numbers of all vacancies across the economy is not available, while estimates of market share in Hungary are based on a sample survey of employers. Other challenges included: employers no longer being obliged to report all vacancies (CZ, SK, SI); existence of intense seasonal fluctuations (DE); many temporary jobs not notified as vacancies (NL); and transitions from one work contract to another with the same employers, or job changes within firms are not recorded as vacancies (HR). Such factors influence the validity of estimates of market share.

4 Analysis of the role of PES in the implementation of the Youth Guarantee

The rate of youth unemployment during the first quarter of 2014 stood at 22.8 % with 7 500 000 young people classified as NEETs (young people not in education, employment or training). While youth unemployment is not a new problem, education to work transitions have become increasingly challenging as a result of the crisis. Many young people were the first ones to lose their jobs and those looking for their first job have also found it increasingly difficult to find a foothold in a competitive and tighter labour market. At the same time, learning and career pathways have become increasingly complex, with many young people finding it daunting and confusing to navigate through the complex web of services, service providers and study routes. These **changes in the depth and breadth of the youth unemployment problem are putting ever-greater pressure on PES** and their services for young people.

The **Council Recommendation on the Youth Guarantee** (YG) in April 2013¹⁸ called on Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. Member States were requested to submit a Youth Guarantee Implementation Plan (YGIP) outlining the plans and partnership arrangements of each Member State, for the implementation of the YG. By mid-May 2014, all 28 Member States had submitted their YGIPs.

The Youth Guarantee (YG) is about giving young people a real opportunity to increase their employability with a view to sustainable labour market integration¹⁹. When appropriately designed, implemented and resourced, the YG can take young people on a **supported pathway** starting with guidance and assessment with follow-through to training, education, rehabilitation, work experience and employment. The aim of this chapter is two-fold:

- To analyse the role of PES in the Youth Guarantee, from the overall management and implementation, to outreach work, defining quality standards and the overall role within the YG partnership.
- To report on early indications of the effect of the Youth Guarantee on PES services and business models, complementing the general analysis on the evolution of the PES Business Model.

4.1 The role of PES in the Youth Guarantee

4.1.1 The role in managing and coordinating the Youth Guarantee

PES are central players in the implementation of the Youth Guarantee in almost all EU countries. According to the PES questionnaires, the PES is the main YG service provider and in charge of coordinating relevant partnerships in 12 EU countries - Austria, Belgium (BE-Le Forem and BE-VDAB), Denmark, Finland, Hungary, Ireland, Italy, Poland, Portugal, Sweden, Cyprus and the UK. The ministry of labour tends to hold the management and coordination responsibility in most of the remaining countries.

Table 4.1 The role of PES in the implementation of the Youth Guarantee

PES as the main Youth Guarantee service provider and coordinating partnerships	
PES as the main Youth Guarantee service provider	AT, BE-Le Forem, BE-VDAB, CY, DK, FI, HU, IE, IT, PL, PT, SE and the UK
PES not as the main Youth Guarantee service provider	BE-Actiris, BG, CZ, DE, EE, EL, ES, FR, HR, LU, LV, LT, MT, NL, RO, SK, SI

¹⁸ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01)

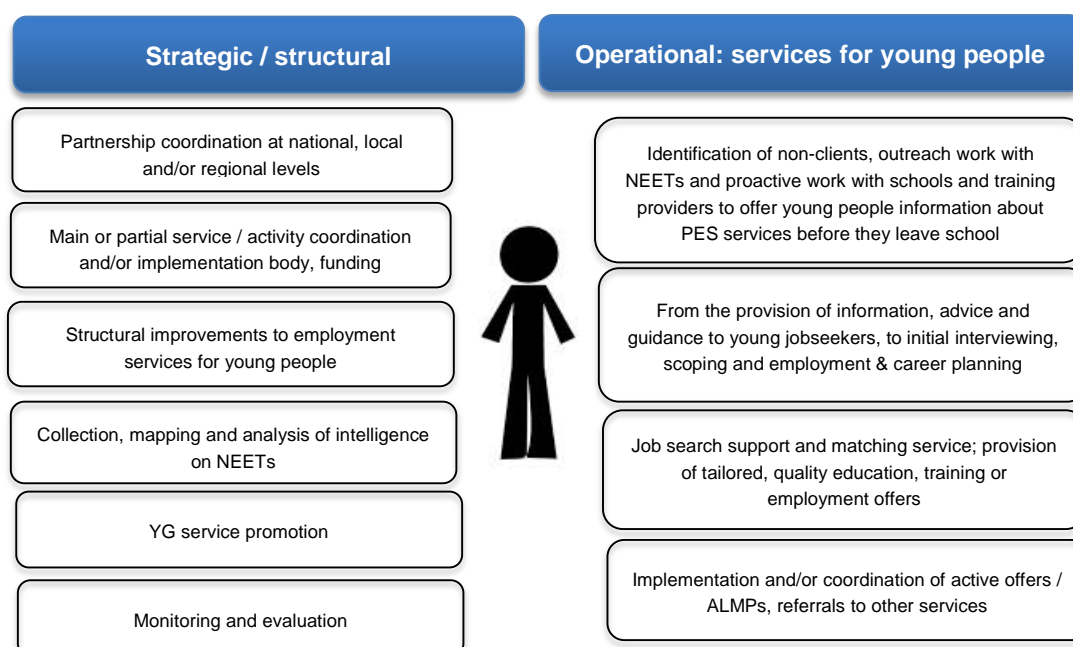
¹⁹ European Commission (2014) The Youth Guarantee, Making It Happen. p1.

A multi-stakeholder steering committee usually supports or oversees the design or implementation of the YG. Many such committees are led by the respective national Ministry of Labour. For example in Luxembourg, a working group has been created to this purpose, composed of representatives of the Ministry of Labour, Employment and the Social and Solidarity Economy, the PES (ADEM), Local Action for Youth, the Department of Vocational education and training, the National Youth Service and the Department of Children and Youth. The group, which meets once a month, also organises regular meetings with youth organisations, trade unions and employer organisations. Croatia makes an interesting exception given that their YGIP committee is chaired by a youth organisation, the Croatian Youth Network.

4.1.2 The overall role of PES in implementing the Youth Guarantee and associated measures

Table 4.2 below demonstrates examples of the responsibilities that different PES have taken on in the implementation of the YG and associated measures.

Table 4.2 Examples of the broad range of roles adopted by the PES in different European countries



Source: ICF on the basis of 29 PES questionnaires, 2014

According to the PES questionnaires, **PES are the main implementation and / or referral body of the YG in most countries even when they do not hold the overall management responsibility, or they are a key partner in the delivery of counselling, job-search support and/or ALMPs.** For example in France, the responsibility for the delivery of the Youth Guarantee will mostly rely on Pôle Emploi and other parts of the public employment services, including the '*missions locales*' (local structures supporting young people especially those facing difficulties and guidance on different topics). In Poland, the implementation of the YG will involve all institutions forming the PES at national level, regional and local levels; the Provincial Employment Agencies, Poviast Employment Agencies and Voluntary Employment Detachments are among the key executive parties of the YG.

The implementation role of PES is more limited in a small number of countries. For example, the role of the Dutch PES is limited to the provision of employment support for young people in receipt of unemployment benefit. The PES in the Brussels region (Actiris), Croatia, Luxembourg and Slovenia have a responsibility to implement a specific set of services and programmes but several other implementation bodies are involved too. As an example, the YG measures in the Brussels region are divided into seven categories and Actiris (Belgium) manages or co-manages two streams but only contributes to the other five. Similarly in

Luxembourg, three strands of intervention or support pathways are distinguished within the YG; while the job-oriented pathway is coordinated by the PES, the school-oriented pathway and the activation-oriented pathway are led by other institutions.

Table 4.3 below offers a more detailed overview of the main youth specific interventions that the PES are using or planning to use within the context of the YG. It shows that:

- Typically, the YG process begins with a provision of **personalised guidance** by an employment or careers counsellor. This is part of the PES offer in all but three countries.
- An individual assessment of individual labour market needs – including identification of interest, strengths, weaknesses, basic and transversal skills, and qualifications – assists with identification of each young person's competences/immediate needs and determines the intervention that the client will be initially referred to. An **individual action planning** will also assist the participant in establishing a baseline for skill development particularly in basic and transversal skills such as literacy, numeracy and IT literacy. This is available in all countries and is a core part of the PES YG offer.
- The involvement of the PES with employers to integrate young people in work, for example through **shorter term traineeships or longer term apprenticeships** is another key part of the YG offer of the PES and available in all but two countries.
- The role of PES in the **school-based reintegration programmes** is more limited and typically involves a referral service to such opportunities and in some cases, proactive work in schools and training institutions.
- A key barrier to employment for many young people is lack of access to a 'first' job. PES in all but one country have **employer incentive schemes** in place to offer either direct fixed-term wage subsidies to employers or reduced social security contributions or tax payments to companies who take on young unemployed people.
- **Subsidies to young trainees and employees** are a less frequently available PES measure and often refer to financial support to apprentices.
- **Entrepreneurship measures** are especially important for the PES in southern Europe. PES in Italy, Malta, Portugal and Spain for example are involved in the promotion of measures that provide practical and / or financial support for aspiring young entrepreneurs.

Table 4.3 Mapping of interventions within the context of a Youth Guarantee and associated measures

	Personalised guidance	Individual action planning	Work-based integration	School-based integration	Subsidies to employers	Subsidies to employees / trainees
AT						
BE-VDAB						
BE-Forem						
BE-Actiris						
BG						
HR						
CY						
CZ						
DK						
EE						
FI						
EL						
FR						
DE						
HU						

	Personalised guidance	Individual action planning	Work-based integration	School-based integration	Subsidies to employers	Subsidies to employees / trainees
IT						
MT						
NL						
LU						
LV						
LT						
PL						
PT						
RO						
SK						
SI						
ES						
SE						
UK						

Source: ICF on the basis of responses provided to the PES questionnaires

4.1.3 The role of PES in reaching out to NEETs

In several countries most unemployed young people over the age of 18 are registered with the PES as their potential welfare and / or unemployment benefits may be linked to registration. This is however not the case in all countries and even when registration is required, not all young people decide to register with the PES. **Indeed, there is a core group of marginalised, unregistered young people in most countries who do not access any available mainstream youth employment services.**

Outreach work has traditionally been carried out by NGOs and youth workers, but there are now more examples of such services being linked up in a more meaningful manner with mainstream youth employment services, such as the YG. The PES were asked about their role in making contact with young people who have left school but not yet registered with the PES and the answers revealed that **half of the surveyed PES are directly or indirectly involved in either proactive work with pupils and students and / or outreach work with NEETs who are not registered with PES.**

Table 4.4 PES involved in outreach work with NEETs

PES involved in outreach work	
Yes	EE, DE, LT
Yes (indirect)	BE-VDAB, CY, DK, EL, FI, FR, HR, HU, IE, IT, LU, MT, PL, PT, SE, SI
No	AT, BE-Actiris, BE-Forem, BG, CZ, ES, , LV, NL, RO, SK, UK, CY

In most cases the involvement of PES in outreach work with unregistered NEETs is **informal**; the regulatory framework does not oblige them to do so. It is also often **indirect**, and carried out **in the form of projects or in partnership with other agencies.**

There are five main channels through which PES are involved in outreach work with unregistered young people:

- PES in Estonia, Germany, Hungary and Lithuania organise **mobile advice and counselling services to visit schools, youth centres and careers events** to provide information to non-PES clients. For example, PES in Germany has several mobile career-information-centres (BiZ-Mobil) which drive around to visit training institutions

and job fairs. In Estonia PES staff has made a conscious effort to visit places where they can engage with unregistered NEETs. In Lithuania Youth Job Centres in cooperation with employers, training providers and social partners organize career events “Take responsibility for your own career planning” including visits to workplaces and outreach of young people in rural schools.

- PES in Estonia, France, Germany, Italy, Slovakia and Slovenia **work in a proactive manner with education, training and guidance institutions** to ensure that young people are aware of the available PES services before they leave education. In Italy, the ministries of labour and education work together with educational institutes to identify young people who have dropped out and twice a year inform local PES offices accordingly. It is then the responsibility of the PES to make contact with those that have dropped out.
- PES in Ireland and Malta are indirectly involved by guiding under 18 year-olds, who are not in learning or earning, into established **second chance programmes**.
- In some countries **PES are part of local multi-agency partnerships** to identify, track and establish a relationship with disengaged young people and guide them into PES and other ‘mainstream’ support services (e.g. Denmark and Finland). PES in Flanders (BE-VDAB) has recently engaged with similar local partnership working and the PES in Greece and Portugal have similar plans for the future. Similar work is carried out in many of the biggest cities of Sweden through projects which bring together PES employment counsellors with the representatives of the police, education and social services to target young people at risk of social exclusion and at risk of being recruited into criminal networks. Another Swedish PES project has successfully recruited and trained young people from the target group to undertake outreach work at concerts, sports events and in schools.
- The PES also **cooperates with specialised structures who interact with youth, including at-risk youth**. In France, the PES works in close partnership with local youth centres (*mission locales*) who deal with young people facing difficulties in term of socio-economic inclusion and can therefore make referrals to PES. In Poland, the contact with young NEET will be established primarily through the local Voluntary Labour Detachments (OHP) which provide support to disadvantaged youth. The OHP have significant experience in outreach, with more than 900 operating units located throughout the country, mostly in smaller towns, in close contact with schools, educational centres, churches, various institutions and local authorities.

All PES are not as involved in proactive work with NEETs. In some countries no significant need has been identified as the number of NEETs not registered with the PES is considered to be small (e.g. Croatia, Czech Republic). In some other countries established and separate outreach mechanisms are in place to carry out such work with disengaged young people. These are usually agencies, centres or professionals charged with the responsibility for outreach work. In Austria, such work is carried out by youth coaches and social workers. In Croatia, the YG implementation process has prompted the development of new outreach services. Lifelong Career Guidance Centres (CISOK) - established in 2013 - are doing some outreach work and more systematic tracking efforts are planned under the new scheme. The Hungarian PES also want to further develop the mentor-network within the PES to include not only registration, counselling, planning and support for young people who register with the PES but also liaison with local educational and social institutions, youth organisations and employers so as to establish more effective outreach strategies.

Only a third of the countries taking part in the survey have some type of **mechanism in place for sharing information on young people who have left school but have neither found employment nor registered with the PES**. Austria, Denmark, Finland, Germany, Greece, Ireland, Italy and Malta have data sharing mechanisms in place and Belgium (Le Forem), Cyprus, Croatia and Portugal are in the early days of developing such practices. The Danish model can be highlighted as an example of good practice as it is based on a comprehensive, up-to-date database of young people and their education and occupational status. The database is accompanied by a legislation stipulating that all NEETs need to be

contacted and they need to be offered guidance and support. Authorities in Estonia, Hungary and Lithuania are in discussions of developing similar practices as part of the YG implementation process²⁰.

4.1.4 The role in assuring the quality of the offers to young people

A good quality offer²¹ will correspond to the individual young person's needs and skills and identify the individual's pathway to labour market integration²². This means that it can be necessary for a young person to receive support — such as training, rehabilitation, education, counselling or guidance — before they are ready to take up a YG offer of employment, continued education, an apprenticeship or a traineeship. This commitment to the personalised offer forms a crucial part of the tailor-made, individualised approach that is at the heart of the YG²³.

PES from 13 countries have carried out work to **specify or define 'a good quality offer'**. The **individualisation** of the offer and the **personalisation of the pathway to employment** is emphasised as being at the heart of a good quality offer in most countries, especially Croatia, Denmark, Finland, Greece, Luxembourg and Slovenia. In Austria and the UK, specific requirements on the **quality of the activation measures** are set out in contracts with the different YG service providers. In BE-Le Forem, the **quality of the activation measures** is set out in contracts with YG service providers as well as within legal framework (i.e. decree). This can refer to the content of training provided under the YG or the quality and training of teachers and trainers, for instance. In the UK, education and training modules must satisfy requirements related to contact time and appropriate content to increase employability. Penalties can be imposed on providers who fail to reach required standards. In Belgium-Le Forem, a good quality training offers refer to certified courses, while Hungary is currently developing a new service-provision mechanism, which also includes quality assurance elements. Finally, in Denmark, Finland and Portugal a good quality offer is also linked to the activation deadlines in terms of the timing of the first interview and of an active offer.

Table 4.5 Definition for a good quality offer

A good quality offer has been defined	
Yes	AT, BE-Actiris, BE-Le Forem, BE-VDAB, DE, DK, EE, EL, ES, FI, HR, IE, LT, LU, PT, SI, SE, UK, CY, PL
No	BG, CZ, HU, IT, FR, LV, MT, NL, SK

Not all countries have yet taken specific steps to explicitly define a 'quality offer'; either there has been no need as existing quality assurance methods are deemed sufficient or it has been too soon to carry out such work yet.

The main methods employed to ensure that good quality offers are being provided - and more generally a high standard of youth-specific PES services – include:

- Guidelines from the national administration to all PES offices and other organisations / individuals involved in the YG (DE, ES, FI, AT, UK).
- YG partner / provider inspections and potential penalties (e.g. AT, MT and the UK).
- Regular client satisfaction surveys (e.g. AT, BE-VDAB, LV, SE).
- External or internal evaluation of the YG, youth specific services or ALMPs in general (e.g. BE-VDAB, DE, DK, ES, FI, HR, IE, UK).

²⁰ The following countries currently do not have such a system: Belgium-Actiris, Belgium-VDAB, Bulgaria, Czech Republic, Latvia, Netherlands, Romania, Slovakia, Slovenia (where such a system existed but its use is no longer possible due to data protection laws), Spain, Sweden, UK

²¹ According to the Council Recommendation the offer is of employment, continued education, an apprenticeship or a traineeship.

²² European Commission (2014) The Youth Guarantee, Making It Happen. P2.

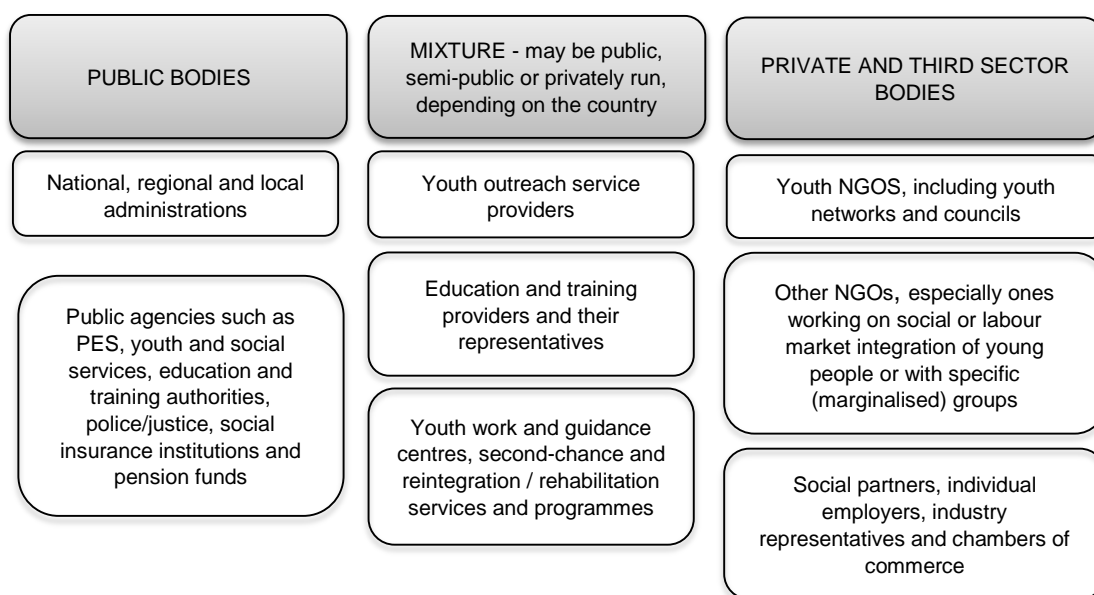
²³ European Commission (2014) The Youth Guarantee, Making It Happen. P2.

- Training of youth employment counsellors (e.g. SI), follow-up of young jobseekers by a dedicated team (LU).
- Enhanced coordination between the different departments of the PES in charge of training, subsidised contracts, etc. (ES, LU).

4.1.5 The role of PES within the broader Youth Guarantee partnership

The key strategic and implementation YG partners – in addition to PES – include public, semi-public, private and third sector organisations (see Figure 4.6 below).

Table 4.6 Key strategic and implementation partners for YGs



Source: ICF on the basis of PES questionnaires

According to the PES questionnaires, all PES, apart from the ones in Austria and the Netherlands, **have plans to strengthen existing partnerships**²⁴. Ultimately, the intent is to ensure that there is an effective partnership approach to service provision across all organisations, which will **release synergies, enhance efficiency and avoid duplication of activity**. The current partnerships are deemed to be sufficiently strong and diverse in Austria and the Netherlands so as not to require further development, and the PES in these countries are focussing on other priorities.

Closer and more meaningful collaboration is sought in particular with **PES on one side and youth organisations and other NGOs, employer, social partners, schools and training providers** on the other. PES in Belgium (BE-VDAB), the Czech Republic, Hungary and Slovenia, for example are seeking closer ties with youth organisations. In Flanders the role of the Flemish youth council already goes beyond information and consultation and extends to the testing of the YG and communication services with young people benefiting from the YG services.

In most countries, key partners of the PES for the implementation of the Youth Guarantee include a range of **public organisations**. In France, this includes the network of local youth centres (*mission locales*) but also different structures involved in tackling early schooling and providing 'second chance' opportunities to young NEETs. Partnerships put in place by the French PES (also prior to the launch of the YG) particularly aim to support young people that face multiple barriers to access employment.

²⁴ Analysis does not include the following countries: Bulgaria, Cyprus, France, Luxembourg, Poland, Spain.

NGOs working on social or labour market integration of young people or with marginalised groups of young people, such as the Roma, play an important part particularly in countries with less extensive public provision of welfare services as well as countries where NGOs have a long tradition being an important youth service delivery partner. Such partners can add real value by having the necessary outreach channels to approach disengaged groups of young people and other experience and knowledge from working with them.

The PES in Estonia, Latvia and Malta are keen to establish **closer links with individual employers to boost the number of employers offering traineeships and other work-based learning opportunities for YG clients**. EUIF (Estonia) for example has signed nine partnership agreements, covering among others, traineeships with large companies in different economic sectors since 2012 and has an ambition to establish similar agreements with the largest employers in all key sectors. PES in Croatia, Germany, Greece, Hungary and Luxembourg hope to form better links with the social partners while PES in Italy and Slovakia seek closer collaboration with private recruitment agencies.

Closer ties with education, training and guidance providers are sought in order to make a positive contribution to the school-to-work education agenda and therefore ultimately prevent young people from needing YG services. The PES in France, Luxembourg and Poland are for instance already cooperating with different categories of providers of vocational guidance.

In general terms, **recent work around partnerships has focussed in many countries on macro-level structures. Mirroring the same approach at local level is going to take time**. In Ireland it is hoped that the process will be made smoother by systematic and direct involvement of the local representatives of the national stakeholders. In Portugal, regional and sub-regional information-dissemination events are being held to spread awareness among local and regional level stakeholders. Local PES offices in Hungary will host a mentor-network, whose task will be to strengthen existing local partnerships. In Denmark, over DKK 35 million (nearly EUR 5 million) has been set aside centrally for the PES to strengthen the partnership-based approach towards unqualified youth.

4.2 Early indications of the effect of the Youth Guarantee on the PES

The PES questionnaires provided early indications of the effects of the YG on PES services. Most of PES who had not implemented a Youth Guarantee or other relevant youth employment services before 2013 report that implementation of their YGIP is still at an early stage and under development. Overall, the implementation of the **YG has led to concrete changes in most PES**, albeit not in all. Some have opted for a full reorganisation of their youth specific PES services, while others have chosen to add new or strengthen existing services for young people. Others have improved youth specific communication channels and have employed and trained front-line staff to work exclusively with YG clients.

Specifically, the YG launch has led to / is leading to the **re-organisation of youth specific PES services** in Belgium-Actiris, Croatia and Italy. In Italy, the YG model will be one of the central pillars which the on-going re-organisation of the PES will build on. Actiris in Belgium created a new service in 2013, called “Service Youth Guarantee”, a second line of employment support service with job coaches exclusively dedicated to young job seekers. In addition to the creation of this dedicated service, Actiris is re-organising local offices (client-facing services) so as to build dedicated time for face-to-face counselling and support for YG clients. New youth-only PES offices have been launched in Croatia and Germany.

Existing PES services have been modified to take better consideration of the needs of young people or the YG model for example in Belgium-Actiris, Belgium-Le Forem, Belgium-VDAB, Croatia, Estonia, Finland, France, Germany, Greece, Ireland, Latvia, Lithuania, Luxembourg, Portugal, Slovakia, Slovenia and Spain. This includes improvements in the speed and ease of registration services, improved personalised guidance from an employment counsellor in terms of timing, content and availability, and more work-based and second chance learning opportunities. In Slovenia for instance the counselling process has been reviewed in order to adjust it to the needs of young unemployed persons. In France, adaptations to existing services are expected; PES objectives include providing job offers

that are adapted to the target group and tailoring the content of interviews to the specific situation of young people.

In addition to PES service changes, **new active labour market measures have been introduced to complement existing interventions** by numerous PES across Europe, including Belgium-Le Forem, Croatia, Czech Republic, Estonia, Greece, Italy, Portugal and Slovenia. These include job clubs, pro-active work schools and training institutions and employer subsidies, to mention a few.

PES staff have been recruited, assigned and / or trained to work exclusively with the YG client base in 17 countries (see Table 4.7 below); such development is also planned in at least one additional country.

Table 4.7 Dedicated YG staff

Specialist YG staff	
Yes	BE (Actiris, Le Forem, VDAB), BG, DE, EE, EL, FI, HR, HU, IT, LU, LV, LT, PL, SI, SK, SE, UK
No	AT, CZ, DK, ES, FR, IE, LT, MT, NL, PT, RO, CY

Note: In France, it is foreseen that the PES will have specific counsellors for youth.

In broad terms, the YG staff can be divided into two groups;

- Front-line PES staff delivering counselling and job search support (e.g. BE-Actiris, BE-VDAB, BG, HR, HU, LU, LV, LT, SI, SE) or front-line staff delivering new or additional YG services or activities (e.g. proactive work with schools) (EE). Some countries have a quota for the number of youth counsellors in each PES office or region (e.g. BG). The countries which have introduced or are introducing youth specific counsellors have done so typically by re-training existing front-line PES staff or ESF funds are used to fund new positions.
- Operational staff working in the design or implementation of the YG or scaling up pilot activities (e.g. BE-Actiris, BE-Le Forem, EE, EL, LU, PL, SI). Such work is typically headed by a YG coordinator in charge of regulating and monitoring labour market services directed at young people. They may be supported either by regional or office based coordinators.

In other countries the PES staff works with a variety of claimants and there are no plans to dedicate the time of some counsellors on youth work. In Denmark and Sweden each PES office has the right to organise the delivery of the YG and other services in the way in which they want as long as they comply with the legislation on young people's rights and obligations.

New communication channels and methods have been launched in BE-Actiris, BE-VDAB, Croatia and Slovenia so as to **communicate more effectively** with young people. The new communication channels include new websites for PES youth services, email, smartphone apps, text messages, social media and Skype. Using different information technologies and communication channels (web-based, mobile-based, social etc.) can be regarded as effective methods when reaching out to young target groups.

The **impact of the YG on the PES services has been minimal** in the Netherlands. Furthermore, there has been no impact from the Council Recommendation on the countries with well-established YGs or other relevant youth employment services either, such as Austria, Denmark, Finland and Sweden, as many of their existing provisions are already more comprehensive or ambitious than those introduced by the Council Recommendation. Youth employment services are already well integrated into existing PES services in the Czech Republic, Malta and UK too.

5 Conclusions

On the basis of the analysis in earlier chapters, there are two trends that can be observed in PES Business Models: a trend for increasing the role of PES in the activation of a broader client base and a trend towards increasing decentralisation of PES.

In recent years there is an increasing trend towards targeting activation policies for clients eligible for unemployment benefits (and unemployment assistance) and other non-employed groups receiving social benefits and in this context, more countries are setting up 'one-stop-shops'. Moreover, PES have a key role to play in the sustainable activation of disadvantaged groups such as the low-skilled or the long-term unemployed, while the role of PES is also increasing in the activation of NEETs, in the context of the YG.

It is possible to observe also a trend in decentralisation and management autonomy. The recent economic crisis, resulted in differing sectoral impact across regions. In this context, PES with devolved autonomous decision making powers were able to respond expediently and appropriately. The respective trend towards political decentralisation noted in some countries, increases the political accountability of the local PES. Such approaches can also help ensure that governments provide appropriate funding to increase PES staff at a time of increasing unemployment (especially in centralised structures financed by unemployment insurance funds, where funding is pro-cyclical).

Last but not least, in what concerns the role of the PES in the implementation of the YG, there is an observed trend that the implementation of the YG has led to concrete changes in most PES, albeit not in all. Some PES have opted for a full reorganisation of their services for young people, while others have chosen to add new or strengthen their existing service offer. Others have improved youth specific communication channels and have employed and trained front-line staff to work exclusively with YG clients. 'Core' PES interventions in relation to the implementation of the YG include the provision of personalised guidance, individual assessment of needs, cooperation with employers to integrate young people in work and employer incentive schemes.

Looking at the core elements of PES modernisation as highlighted by the PES 2020 Strategy output paper, the study identifies some areas of progress.

- **Conducting function – partnerships:** as outlined in the PES 2020 strategy, there is a key role for PES in promoting and managing partnerships between labour market actors. Almost two-thirds of the PES (19 out of 30) report to have a lead co-ordinating role in stimulating labour market actors to cooperate and innovate. The introduction of the Youth Guarantee and the central role played by PES in its implementation, offers an opportunity for PES to enhance further their conductor role in the facilitation and management of partnerships. Subcontracting is also a mean through which PES can work with other labour market actors, to be able to adapt faster to increased caseloads and changes in the client base.
- **Conducting function - Monitoring supply and demand in the labour market:** over half of PES report that they regularly monitor the structure of labour demand, the skill requirements mix of job vacancies, and how it relates to the composition of jobseekers. Although this shows that PES are progressing towards taking up a conducting function in identifying labour market needs and securing right services and matching for employers and jobseekers, there is some scope for improving skills anticipation activities that can inform the conducting function. Such monitoring activities provide an evidence base that can inform cooperation with partners and strengthen links with - and indeed the design of new services for - employers.
- **Stronger links with the demand side – new services for employers (including links with SMEs):** new services to employers are offered in 17 countries (e.g. assistance in HR tasks, pre-selection of candidates, advice on recruitment practices, support on employee training). While the majority of PES deliver services (tailored or otherwise) to employers, not all of them evaluate these services. Understanding both the nature of the employer service offer and the extent to which it meets employers needs is critical to

developing stronger links and indeed new services. Few PES engage directly with SMEs, hence there is scope – as part of the conducting function – for PES to engage with and understand the needs of SMEs.

- **Use of performance targets:** the adoption of outcome-based, quantified targets ensures accountability and is conducive to PES efficiency. PES that regularly monitor performance and make cost-benefit calculations, find it easier to channel resources to the most effective measures and convince policy makers to provide PES with the resources needed for responding to labour market shocks. To date, almost all PES use yearly performance targets. However, nine PES use quantitative outcome targets (and another six PES use such targets together with process based targets). Thus, there is scope for the majority of PES to build on the experiences of PES that already have such targets and introduce targets themselves.

The above can be complemented by additional tools that PES have at their disposal to respond to the challenges facing them. These include the continuous improvement of PES capacities and the skills of PES staff and building and maintaining trust-based relationships with key stakeholders that harness respective stakeholders' skills to address complex labour market problems.

Last but not least, further empirical research exploring the impact of particular characteristics of the PES Business Models on PES effectiveness, can further support PES performance to evolve and deliver more and different services. To this end, the new European Network of Public Employment Services will provide a platform for comparing PES performance at European level, identifying good practices and fostering mutual learning in order to strengthen service capacity and efficiency²⁵. In particular, the benchlearning activities foreseen in the context of the new PES Network are expected to deliver factual information on PES performance, which will offer a useful evidence base for mutual learning.

²⁵ 573/2014/EU Decision of the European Parliament and of the Council of 15 May 2014 on Enhanced cooperation between Public Employment Services (PES).

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