

JOBINVESTING.DK ALLOWS THE DANISH MUNICIPALITIES WHICH ARE SOLELY RESPONSIBLE FOR THE PROVISION OF EMPLOYMENT SERVICES TO "MAKE THEIR BUSINESS CASE" BY CALCULATING THE AMOUNT OF SAVINGS ON BENEFIT SPENDING AS A RETURN TO INVESTMENT INTO EMPLOYMENT SERVICES.

PROMISING PES PRACTICE¹

Jobinvestering.dk – an IT-tool to calculate the returns to investment in employment services

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The Danish PES is developing an IT-tool to provide information on the potential savings in terms of benefit spending as a return to investment into employment services and to foster the willingness of municipalities to invest in employment services. The tool is expected to be made available to the Danish municipalities in the first half of 2018.

Name of the PES	Danish Agency for Labour Market and Recruitment – STAR (Danish PES)
Scope of measure	National
When was the practice implemented?	2017
What was the driver for introducing the practice? Was it internal or external?	Internally recognised need to promote the idea of perceiving employment services as an investment. The economic incentives model is a reimbursement system for municipalities which was reformed in 2016. The previous system created unintended consequences, with a risk of too much focus on the size of the reimbursements rather than on effective efforts to return people to employment. A new, more results-focused reimbursement system was therefore introduced. Within this model, the state reduces the percentage of social benefits it pays to a municipality every given period of weeks that an unemployed individual is on public support. The Danish PES is responsible for implementing the reimbursement system, and supporting job centres to respond to these incentives effectively.
Which organisation was involved in its implementation?	The Danish PES in cooperation with VIVE (the Danish Centre of Applied Social Sciences), SAS Institute and Local Government Denmark (the umbrella organisation of the Danish municipalities).
What is the practice / change / reform trying to achieve?	<ul style="list-style-type: none"> ▶ Providing information on the potential savings in terms of benefit spending as a return to investment into employment services ▶ Foster the willingness of municipalities to invest in employment services
What activities are planned to deliver this?	Jobinvestering.dk uses available data to calculate for each single municipality and specific target groups the projected spending on benefits in a status-quo scenario and compares them with a scenario in which the municipality invests in employment services (e.g. by additional personnel). By comparing these two scenarios, the municipality can assess the net gain of investment.
What resources and other relevant organisational aspects were involved?	Danish PES budget
What are the early observations and achievements?	Employees from a number of municipalities' budget and employment services have been involved in early testing of Jobinvestering.dk. The Danish PES has used the feedback to further develop design and functionality. The municipalities involved have been positive towards the idea of the state supporting business cases for employment services.

¹ Practices referring to promising changes/reforms/approaches.



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