PUBLIC EMPLOYMENT SERVICES

Public employment services (PESs) are the principal labour market instituions directly accountable to governments and set up to facilitate labour market integration of jobseekers and payment of unemployment and/or welfare benefits. Although structured differently in each country, all PESs help match supply and demand in the labour market through information, placement and active support services at local, national and European level. PES are also the main implementers of activation policies thus contribute to smoothen and encourage successful labour market transitions. In doing so their primary focus is to concentrate on those labour market transitions that are harder to be fulfilled and mainly related to low-skilled workers, vulnerable groups and those furthest away from the labour market for which transitions are more difficult.

Since the offset of the economic crisis, PES have been at the forefront of the battle against unemployment. Whilst pressure and expectations on PES to help people return to the labour market has increased as reflected by rising jobseeker and caseload numbers, financial and human resources have suffered from reductions in the size of public administration and the need to reign in government expenditure.

This situation will continue to test the capacities of PES to adapt to changing labour market realities for the foreseeable future and help render these organisations more efficient through greater rationalisation of activities and services provided. As part of a repositioning drive, PES will be expected to transform themselves into **"transition management agencies"** delivering a new combination of the "active" and "passive"[1] functions that support sustainable labour transitions throughout workers' careers.

1. Key statistical indicators

Demand for PES services increases…

Registration with the PES is a pre-requisite for access to active labour market measures and support for active job search, in order to help people back into work.

Criteria for registering job-seekers differ according to nationally determined definitions; in some countries only registered unemployed are registered as jobseekers[2], whilst in other countries registered jobseekers may include individuals who are inactive or employed.

[1] Active measures: training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives
Passive measures: out-of-work income maintenance and support, early retirement.
[2] i.e. CZ, HU, MT, SI and UK

Table 1. Change in registered jobseekers and registered unemployed between years, 2009-2012.

	Change in total registered jobseekers			Change in total registered unemployed			
	2009-2010	2010-2011	2011-2012	2009-2010	2010-2011	2011-2012	
BE – ACTIRIS	6.0%	-0.5%	2.0%	7.1%	0.1%	1.3%	
BE – FOREM	0.2%	-2.9%	2.6%	0.1%	-3.0%		1.3%
BE – VDAB	4.9%	-5.7%	10.9%	2.7%	-6.4%		4.8%
BG	24.2%	-5.0%	9.7%	24.9%	-5.2%		9.6%
CZ	13.6%	-4.0%	-0.7%	13.6%	-4.0%	-0.7%	
DK	19.9%	8.9%	-11.1%	25.3%	-1.8%	0.0%	
DE	-3.2%	-9.6%	-4.2%	-5.2%	-8.1%		-2.6%
EE	18.8%	-31.5%	-21.5%	8.9%	-31.8%		-21.1%
IE	:	:	:	:	:	:	
EL	:	12.8%	9.0%	10.7%	11.9%	7.3%	
ES	3.4%	7.5%	7.2%	4.5%	7.9%		9.6%
FR	11.1%	3.9%	-1.6%	9.0%	4.6%		5.4%
IT	:	:	:	:	:	:	
CY	21.9%	23.4%	18.7%	30.5%	23.8%		28.6%
LV	7.7%	-22.8%	-5.8%	-9.4%	-19.8%	-20.1%	
LT	57.6%	-16.4%	-10.1%	58.5%	-19.9%		-12.3%
LU	8.6%	-0.3%	10.9%	8.6%	-0.3%	10.9%	
HU	3.7%	0.0%	-4.1%	3.7%	0.0%		-4.1%
MT	-3.8%	-7.1%	5.2%	-3.8%	-7.1%	5.2%	
NL	5.5%	2.6%	14.3%	4.1%	-6.0%		4.5%
AT	-1.2%	-6.2%	3.0%	-1.2%	-6.2%	3.0%	
PL	3.2%	1.1%	7.7%	3.3%	1.4%	7.8%	
PT	2.1%	12.4%	21.7%	3.0%	10.9%	17.2%	
RO	20.8%	-30.3%	-7.3%	21.0%	-30.2%		-7.4%
SI	16.4%	11.2%	-0.8%	16.4%	10.1%		-0.5%
SK	12.1%	1.8%	4.6%	12.1%	1.8%	4.6%	
FI	-0.6%	-5.6%	-0.7%	4.1%	7.2%	1.4%	
SE	10.0%	-4.7%	1.6%	-2.4%	-10.7%		3.1%
UK	1.6%	7.3%	-5.8%	1.6%	7.3%	-5.8%	
HR	0.2%	-2.9%	2.6%	0.1%	-3.0%	1.3%	
CH	5.6%	-16.6%	-0.7%	4.0%	-19.1%	2.2%	
IS	:	:	:	:	:	:	
NO	6.8%	-7.5%	-4.8%	7.8%	-7.0%	-5.4%	

Source. European Job Mobility Laboratory: PES Crisis response questionnaire, 2013

Notes: ":" – No data available. Registered jobseekers are all the same as registered unemployed in CZ, LU, HU, MT, AT, SI, SK and UK. Estimated are based on annual average stock figures for all cases except EL (registered jobseekers only), ES, LV (registered unemployed only) and PL where they are based on year-end figures, FI where they represent total registered during the year and DK where the observation used is not known

Jobseekers increased between 2009 and 2010 for 24 out of 29 PES providing data and this increase ceased through 2011 as numbers decreased in three fifths of the cases (18 out of 30). However, this general decrease was short-lived as just over half of the cases (16 out of 30) reported an increase in registered jobseekers between 2011 and 2012. Furthermore, six PES have not reported a year-on-year decrease in jobseekers during the crisis period (2009 – 2012)[3] and a total of seventeen cases still had higher numbers of jobseekers in 2012 than in 2009.

A similar pattern is observed in the numbers of registered unemployed except that of those PES which have yet to see a year-on-year decrease in registered jobseekers, the Netherlands saw a decrease in registered unemployed between 2010 and 2011[4].

[3] ES, CY, NL, PL, PT and SK

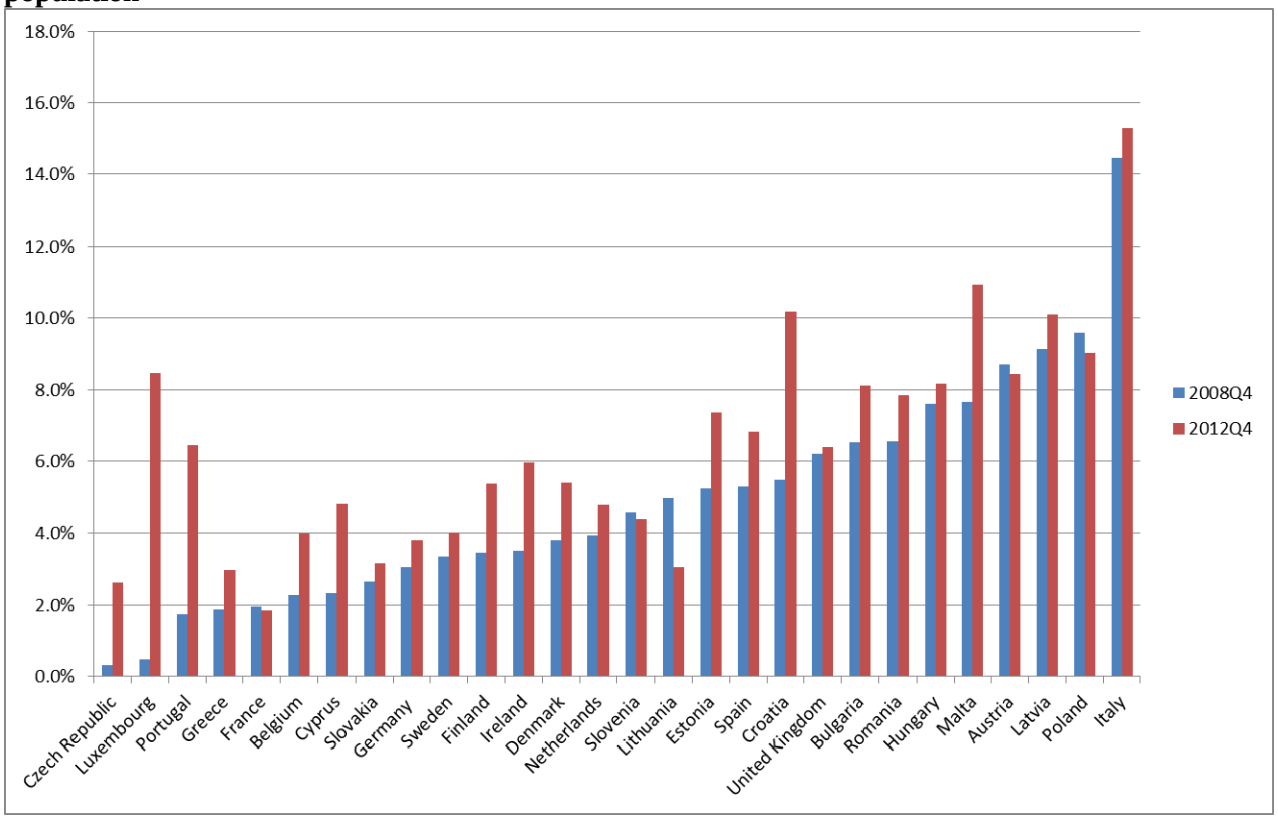
[4] For the Netherlands, registered unemployed figures are actually figures on jobseekers considered non-employed.

…However, not all people considered as unemployed are registered with the PES.

Cross-country differences in the share of discouraged workers seem to be influenced by the nature of the unemployment benefits system. In countries where the system is *not* generous (in particular in some Central and Eastern or Southern Member States) discouraged workers have relatively little to lose by becoming inactive instead of reporting themselves as unemployed. This may also explain the notable difference between Italy (where long-term unemployed are practically not covered by unemployment benefits) and Spain (where the unemployment benefit coverage remains longer) within the South-Europe Member States.

Additionally in some countries people unemployed could be discourgaged to register due to a negative public perception of PES's capacity to be an useful support for job-finging and for providing labour transition support. In consequence, one of the challenge that PES face in working to fight high unemployment is the difficulty to reach all potential target groups.

Table 2. Persons available and wanting to work but not seeking a job, as a% of the active population



Source Eurostat

2. Assessment of main challenges in Member States

To improve labour market performance[5] PES need to help build bridges across career transitions and acknowledged that 'in view of the challenges generated by transitional labour markets, they should pursue an activation policy with sustainable outcomes. At the same time,

[5] Public Employment Services' Contribution to EU 2020, PES 2020 Strategy Output Paper, forthcoming paper by EU network of Public Employment Services

PES have to focus more on the demand side of the labour market as employers are facing increasing recruitment difficulties.

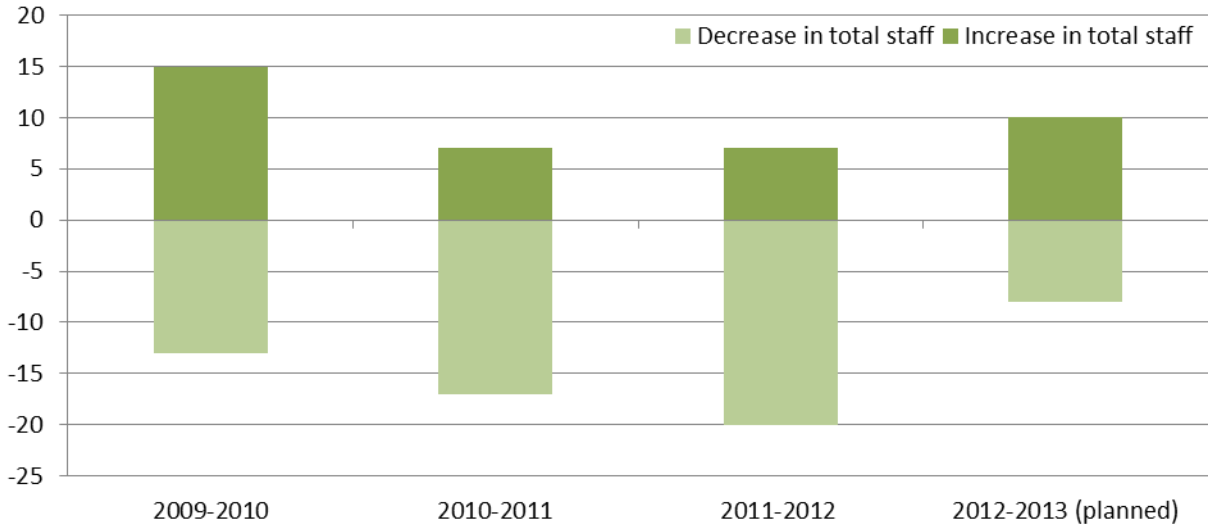
Despite some additional resources devoted to these activities on efforts to improve their efficiency, the support provided hardly matches the surge in the number of registered job seekers in several countries.

To guarantee an optimal functioning of the labour market and assure quicker access to jobs by those unemployed, Public Employment Services will be required to enhance their services to meet the goals of the Europe 2020 strategy by:

- increasing capabilities for labour market intelligence and active and preventive labour market measures;
- understanding specific labour market transitions;
- providing tailor-made services to labour market actors;
- increasing capabilities for employability support at an early stage, delivery of individualised services;
- harnessing the use of e-services and develop digitalisation capabilities
- develop strong partnerships and reinforced (multi-level) coordination, in particular with other employment services for enhanced service delivery, including in other Member States.

The crisis has indeed made monitoring of PES performance more important in order to ensure that the right strategies are in place to increase the capacities and the efficiency of resource allocation. Available evidence show that **staff capacities** are a major challenge for PES given increasing case loads and decreasing resources in Europe. Many PES in Europe have adjusted their services and measures to the crisis. Data on total PES staff numbers from last year's crisis response questionnaire demonstrated that between 2008 and 2009 almost all PES increased their human resources. However, the latest data show that since that time there has been an increasing tendency to cut staff numbers (Figuer 3).

Figure 3 - Number of PES reporting increased/decreased total staff year-on-year, 2009-2013



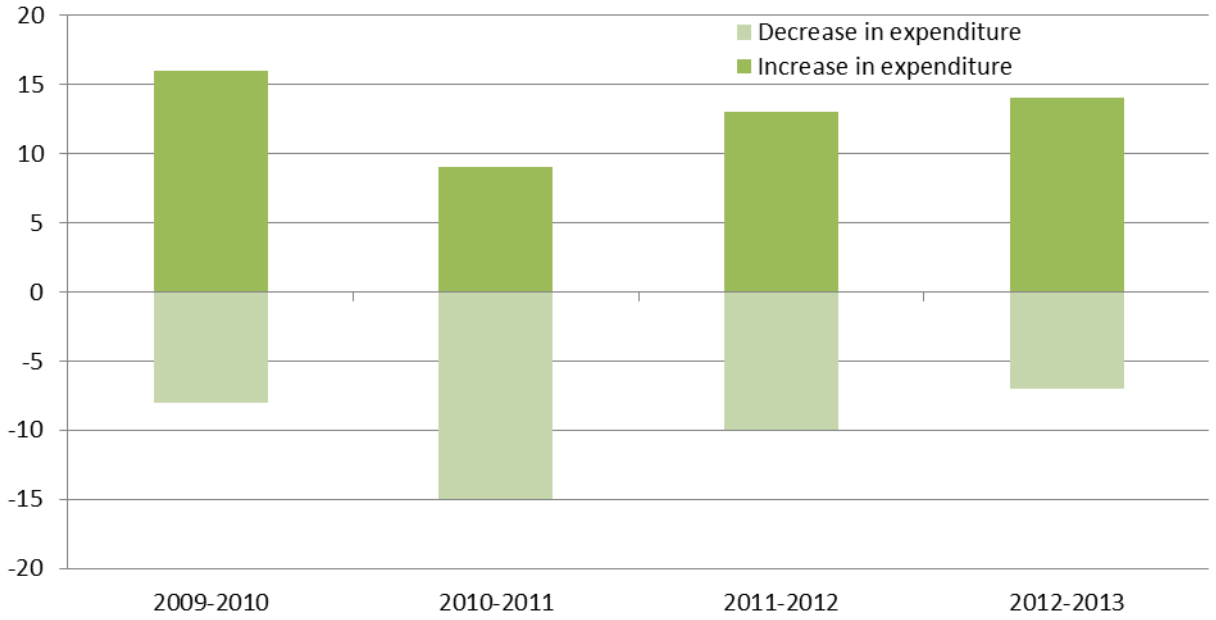
Source. European Job mobility laboratory: PES Crisis response questionnaire, 2013

Note: Data for 2013 are generally based on planned staff levels. However, some PES reported 2012 Q1 staff numbers.

Previous analysis has shown that between 2007 and 2010 there was a general trend to increase expenditure of the PES (excluding unemployment benefits). However, in 2011 expenditure of a majority of PES declined as they were hit by public sector cutbacks and as a response to the economic and financial crisis.

In Q1 of 2012 (responses to the 2012 questionnaire) a majority of PES (9 out of 16) anticipated an increase in expenditure during 2012. Data from the 2013 questionnaire show that these expectations were generally correct - over half of PES responding to the 2013 questionnaire reported higher expenditure in 2012 than in 2011 (13 out of 23).[6]

Figure 4 - Number of PES reporting increased/decreased expenditure year-on-year, 2009-2013



Source. European Job mobility laboratory: PES Crisis response questionnaire, 2013

Note: No data available for BG, DK, IE, IT, LU, FI, UK, IS, NO. Data for MT and AT is not available for 2013 and data for NL is not available for 2012 and 2013. Data up to 2012 are based on actual expenditure whilst data for 2013 are budget figures.

In direct response to the crisis 27 PES out of the 31 PES who responded to the questionnaire reported changes to their Active Labour Market policies (ALMP) portfolios since the start of 2012; 20 introduced new ALMPs, 18 enhanced existing ALMPs. These actions area aimed at providing more targeted, individualised and result oriented interventions that can ensure faster reintegration into the labour market for jobseekers.

Table 5 - New interventions introduced and modifications to existing interventions during the last year

	New interventions introduced		Existing interventions adjusted	
All	BE-ACTIRIS, BE-VDAB, CZ, DK, EE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, PL, PT, SI, SK, NO	20	BE-ACTIRIS, BE-VDAB, BG, CZ, DK, DE, EE, EL, ES, HU, MT, AT, PT, SI, FI, SE, HR	18
Labour market services	BE- ACTIRIS, CZ, DK, HU, MT	5	BE-ACTIRIS, BE-VDAB, EE, SE	4

[6] Data taken from European Job Mobility Laboratory: PES Crisis response questionnaire, 2010 - 2013

Labour market measures	BE-ACTIRIS, BE-VDAB, CZ, DK, EE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, PL, PT, SI, SK	19	BE-VDAB, BG, CZ, DE, EE, EL, ES, HU, MT, AT, PT, SI, FI, SE, HR	15
Training	BE-ACTIRIS, BE-VDAB, CZ, DK, EE, ES, IT, LT, LU, HU, MT, PL, PT	13	BE-VDAB, EE, ES, MT, AT, PT, SI, FI, SE, HR	10
Employment incentives	CZ, DK, ES, FR, CY, LT, MT, PT, SI, SK	10	BG, DE, EE, EL, HU, SI, FI, SE	8
Direct job creation	EL, LV, PL, PT, SK	5	CZ	1
Start-up incentives	EL, PT	2	EE, HR	2
Labour market supports	-	-	DK	1

3. Efficiency to drive the PES agenda for the coming years

To cope with this challenge PES have put the topic of "efficiency" high on the management agenda. How to best meet the **efficiency challenge** includes serveral aspects, going beyond cost savings as such. It also means to make services more effective by allocating scarce resouces to those clients most in need, to combine cost-effectiveness with quality services for the customers. A recent Commisison survey (March 2012) shows that a PES strategy for efficiency includes key areas such as organisational restructuring (e.g. merger of benefit and employment services), digitalisation, process reorganisation, as well as effective use of out-sourcing.[7] **Increasing efficiency** will depend largely on the capacity of PES to **adapt internal operating structures**, as well as the **development of new working methods, tools and services** that meet the changing needs of stakeholders in a more effective manner.

Several PES across Europe have in the past years carried out mergers with other government bodies, such as the case of the UK, The Netherlands, Hungary and Estonia which has integrated the employment services with organisations responsible for social benefits. Experience with these mergers shows that activiation measures combined with conditionalities required active and passive measures can be more smoothly implemented.

A by-product of organisational restructuring has been as well changes to how human resources are deployed to various roles. Whilst some PES are witnessing decreased staff levels, around a quarter of PES report increasing human resources involved in client facing roles which is part of the general reorientation of PES focus toward service provision rather than administrative functions.

In a number of member states, there is a recognition that certain types of jobseekers, above all those with more complex employability barriers (such as long-term unemployed individuals, people with social issues, etc.), can be more effectively assessed and assisted by organisations that can offer specialist services not available within the PES. **Partnerships** with specialised public, private and non-governmental providers play a valuable role in employment service provision.[8]

PES tend to deal primarily with people who are unemployed and actively seeking work.Yet there are many inactive people who do not fall in the strict definition of "unemployed" but who want to find a job, but face difficulties. The appropriate response seem to be for labour market intermediaries to be pro-active and seek to reach these people before they come long-term inactive.

[7] European Commission (2012): PES responses to the efficiency challenge, March 2012. Within the network of Heads of PES (HoPES) the European Commission has established the PES working group "Efficiency" which is going to produce a Toolkit for PES by end of 2013.

[8] Helen Tubb (2012): 'Activation and integration: working with individual action plans; Toolkit for public employment services'

Due to their potential to reach heterogeneous groups of people, PES can be very effective in both preventing and decreasing long-term unemployment: enhancing their role and expanding the scope of their services will serve both people who have shortly fallen into unemployment and those who experience multiple problems (long-term unemployed, low-skilled, etc.) But this depends a lot on the experience, efficiency and administrative capacity of labour offices, and last but not least on the scope of people who register with a labour office. In many of countries the role of PES and the range of available services are not well developed, with limited monitoring or obligations to participate in activation strategies.