



PES to PES Dialogue

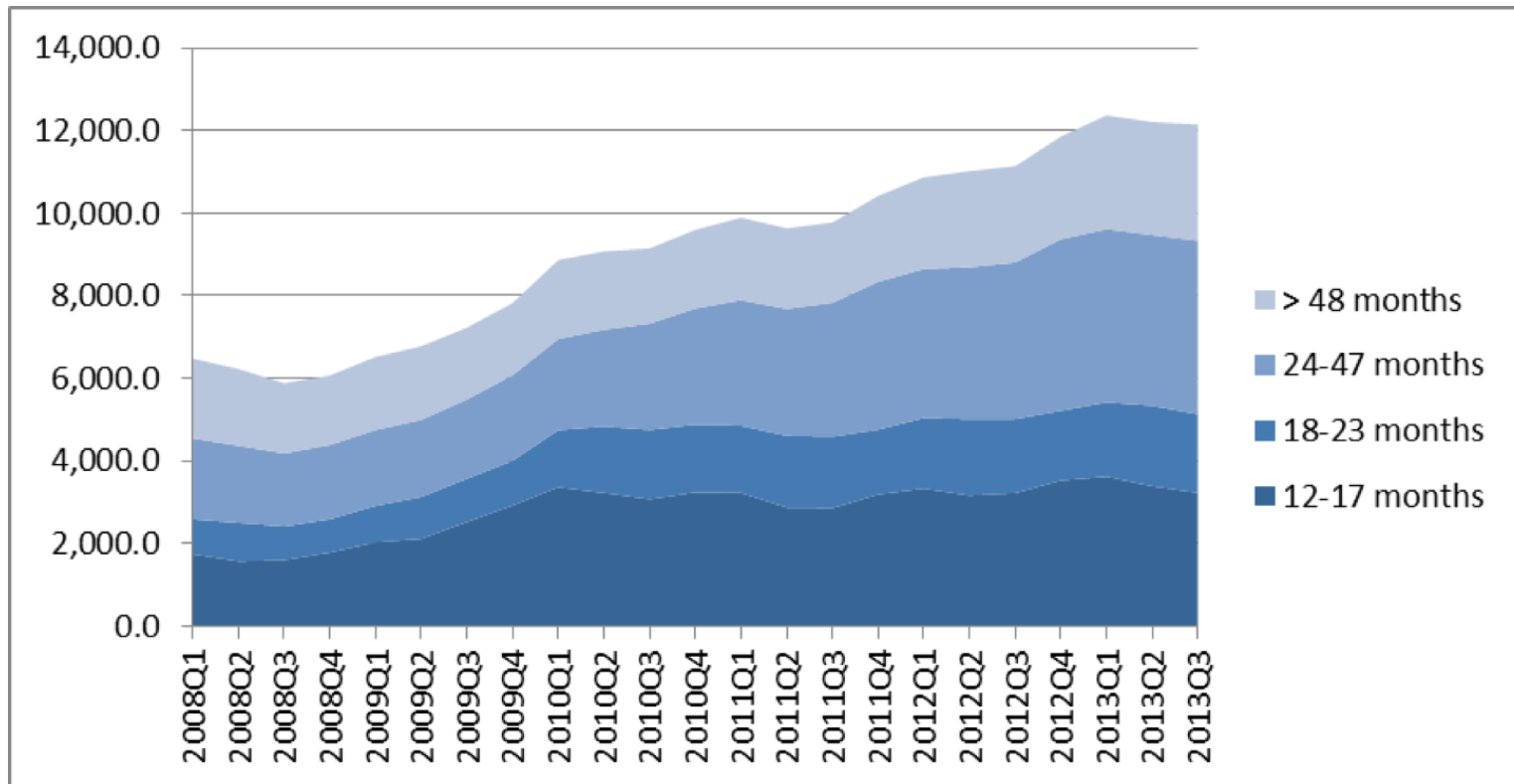
Peer Review “PES approaches for sustainable activation of the long-term unemployed?”

Peer Review Comparative Paper

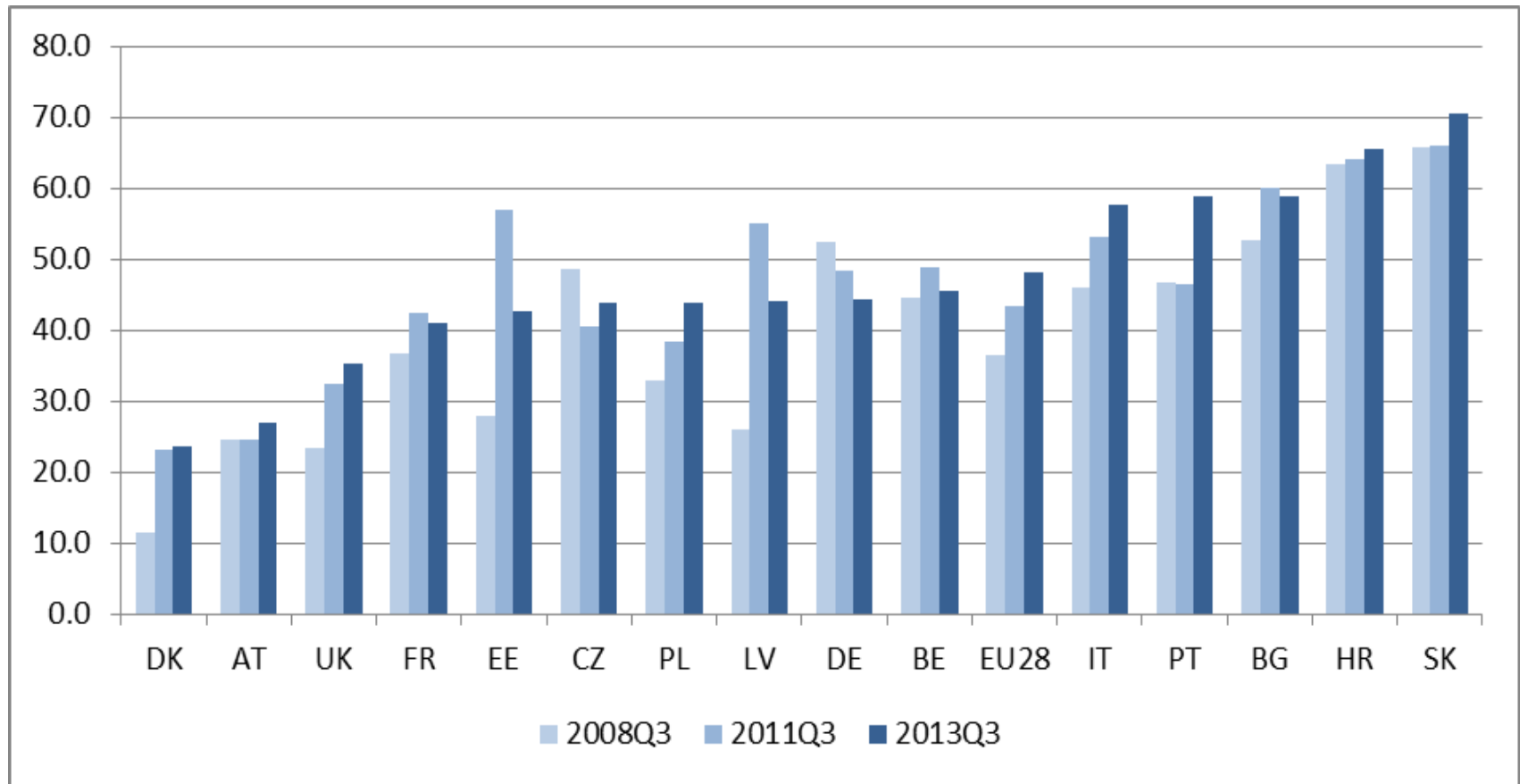
Sofia, 10- 11 April 2014

Long-term unemployment in Europe

Numbers of long-term unemployed, by duration of unemployment (in thousands), 15-64 age group



Long-term unemployment as % of total unemployment in the Peer Review Countries (Eurostat)



Key leading factors

On the labour supply side:

- Low **qualification** levels among the unemployed, outdated qualifications, skills obsolescence
- Low **motivation** after prolonged periods of unemployment
- Lack of work **habits**; limited job search skills,
- **Personal issues**: personal/family situation, health issues.
- Lack of '**life skills**' resulting from socialisation in a disadvantaged family or neighborhood and/or from early school leaving
- **Disincentives** to work (e.g. linked with social benefits)

On the demand side:

- Insufficient aggregate labour **demand** (limited number of vacancies)
- Employer **selectivity**

Regional/local factors: remoteness, poor transport infrastructure making LTU worse in rural areas, compared to urban areas

Groups most at risk

- **Age** is the most predictive variable for the risk of LTU, with older individuals most affected
- **Low qualification** levels, as well as prior work experience in declining occupations/sectors.
- **Immigrant / ethnic minority background.**
- LTU aggravated by **personal characteristics** creating multiple barriers, often inherited from the social environment (disability, addiction, mental health issues, care responsibilities, family circumstances, peer groups, neighbourhood, etc.)
- **Gender** is a less predictive factor nowadays, in the context of general increase of LTU. However, young males are more likely to be in LTU than young females, due to the higher proportion of male ESLs.

Trends in profiling, counselling and individual action planning for LTU

- Aim of PES is to **prevent** LTU from occurring in the first place
- Some PES also **systematically monitor** the situation of customers at pre-defined cut-off points (e.g. EE)
- Most PES use **profiling** systems to identify those at risk of LTU as early as possible and segment customers into categories of support.
- Various PES **segment** customers from the more to less employable (e.g. *FR, PT, AU*)
- ... or distinguish between ‘**standard**’ support and ‘**case management**’ as a special working method for the hard-to-place (e.g. PL, DE, EE)
- ... While other PES focus on specific **age groups** at risk of LTU (e.g. BE – ACTIRIS)

PES Services - Specific interventions for LTU

- Individual **counselling** sessions by personal job counsellors
- Fast track to **job training** or internships
- More **frequent** counselling sessions by job counsellors
- Participation in additional **ALMPs**.
- Collective counselling, e.g. promotion of self-esteem, development of personal and social skills via group sessions
- Information days for LTU to raise awareness on services available
- PES services for LTU in remote places
- Specific strategies for young LTU are not common, young people access the services available to all LTU. In some countries, they are referred to more intensive support earlier than other unemployed
- the **YG** could change that

PES staffing concepts for LTU

Few job centres have in-house counsellors specialised in supporting the LTU, and in that case, they generally focus on a given target group with high risk of LTU:

- supporting LTU low skilled or LTU university graduates in Copenhagen
- supporting LTU with a **mental** or **physical handicap** in Austria
- Supporting unemployed of **Roma origin** and encouraging inactive Roma to register at the PES in Bulgaria.

A number of countries have specific advisors **dealing with young people**, including those in LTU (FR, HR, DE, AU, DK).

- A trend observed in other PES is the **specialisation of in-house counsellors** that deal with customers at a distance to the labour market, a category that includes LTU as well as other profiles.
- Counsellors in charge of **less employable groups** generally have a **smaller caseload** than 'generalist' counsellors (e.g. FR, DE, PL, HR)
- In several countries, counsellors have the same caseload, regardless of the proportion of LTU among their clients (e.g. BE - Actiris, EE, LV, PT, SK).

Frequency of LTU meetings with their counsellors

Austria	For 'guidance clients' (those with stronger needs for support): at least once a month
Belgium/Actiris	Can vary depending on individual characteristics/needs
Bulgaria	Can vary depending on the implementation steps in the individual plan
Croatia	At least once every four weeks, but more frequent if needed (e.g. weekly basis)
Denmark/Copenhagen	Can vary between once a week and once a month
Estonia	At least once in 30 days (all registered unemployed), can be more frequent
Germany	Can vary depending on individual characteristics/needs
Latvia	For all PES customers (not LTU): usually every 1.5 to 2 months
Portugal	For customers that are 'not labour market ready': at least once every 45 days
Slovakia	According to the Act on Employment services adopted in May 2013: If unemployment spell >9 months: once a month (recommended); for LTU>12 months: at least once in 2 months (compulsory)

Swift, intensive and tailored support to prevent flows into LTU

- **Profiling initiatives** to support the systematic identification of jobseekers with the highest risk of falling into LTU and enable the appropriate types, levels and timing of assistance to be deployed at an early stage.

Usefulness of **'Person-centred approaches'** (OECD) confirmed, characterised by:

- Individualised approaches providing continuity of support and the right support at the right time
- Holistic interventions rather than focusing on only one aspect of employability;
- Having a single person as a contact to act as coach/mentor contributes to building client confidence and establishing a positive relationship
- Early assessment and improvement of basic skills
- Continuity of training both in and out of employment
- Support for job search activity
- Having a long-term approach to the provision of in-work support.

Experience from Peer Countries confirms these findings

- **Early identification/intervention** and better **targeting** of measures via individual action plans helps to improve the effectiveness of activation measures and prevent flows into LTU.
- However, a key prerequisite is a **reasonable caseload** for PES counsellors.
- Value of **frequent counselling** sessions for the LTU
- **Employment-oriented case management** helping people with multiple placement obstacles to achieve *progress* towards integration.
- PES counselling services that aim to **increase the motivation** of LTU can make a difference for those who have lost contact with the labour market and lack the personal behaviour and social skills ('life skills') required – consistent support over a long period is crucial
- **For young people, specific coaching services help to put people 'back on track'** – e.g. 6 month coaching, in-work follow up, repeat

PES ALMP measures for the LTU

- PES often use – and combine – ‘train first’ and ‘work-first’ approaches, depending on the needs and characteristics of each individual.
- These two approaches used for the LTU, depending on distance from the labour market. This can include a need for strengthening life skills or basic skills and coaching for working life, to be followed by workplace oriented training, vocational training and job search assistance.
- Importantly, empirical evidence of the impacts of different measures is quite limited
- Measures are recent, but also need for more systematic evaluation of ALMPs.

PES ALMP measures for the LTU

Train-first approaches

Strengths

- Helps develop or maintain/improve life skills and soft skills
- Addresses skills obsolescence (technical skills) and prepares the LTU for redeployment towards new occupations/sectors, best results when training suited to person's potential & leads to formal qualifications

Do's (success factors)

- Vocational training should be relevant to (local) LM and employer needs
- Training should be combined with other measures, practical experience

Weaknesses

- Long training period can have “parking” effects
- Low immediate impact on employment outcomes if not associated with placement

Don'ts (challenges)

- Systematic use of training for all LTUs (not combined with other measures) not efficient, not cost-effective

‘Work-first’ approaches

Measures used by PES include:

- **Wage subsidies** (*Bulgaria, Croatia, Germany, Estonia, France, UK*);
- **Bonus for hiring LTU** (*Austria, Denmark, Germany*);
- **Reductions in social security contributions** (*Bulgaria, Italy*); and/or
- **Training cost subsidies** (*Estonia, France, Latvia*).

Evidence from the Peer Country papers suggests that **wage subsidies can have a positive effect** on the employment prospects of LTU, especially young LTU. However, other experiences show a mixed impact of incentive measures for employers to recruit other LTU.

Many countries use **public work or sheltered work opportunities** for the hardest to place: programmes should be preferably small-scale, well targeted to disadvantaged groups; and include a training component.

Service partnerships to support the integration of LTU, with a range of actors

A **multi-dimensional approach** is more successful with hard to place jobseekers. Some PES work with partners to help address the different barriers to work that some jobseekers experience.

- Municipalities, youth services, family services, health, social services
- Education and training providers
- Career guidance services (if not in PES)
- Health and social insurance institutions
- Contracted providers
- NGOs
- Social partners

Several countries **outsource** some of their services (as well as some measures) for LTU to **private providers**. Few (UK, Netherlands) use outcome based funding, although pilots have started in some countries (Germany, Sweden).

Working with employers

- The role of specialised counsellors dealing with employers is **not restricted to promoting LTU** into jobs
- Some PES (EE, FR) have started to establish **cooperation with large employers**, specifically with the aim of improving the reintegration of LTU.
- Some countries are focusing on **improving internal collaboration** between different PES departments, between counsellors working with jobseekers and with employers to improve the placement of LTU.

Key challenges

- Need to '**do more with less**'
- Difficult economic climate with **limited job demand**
- High **caseloads**
- Arrangements with **external providers**
- Effective **collaboration** between PES services for jobseekers and PES services for employers
- Overcoming employer prejudices

Key success factors

- Intensive, tailored support offered as part **individual action plans**, based on the principle of mutual obligation, works best
- Employability should be increased through a **gradual approach**
- Measures should be geared towards (local) **labour market requirements**
- Further action is required on the **demand side**, to ensure that PES work more closely with employers in order to raise **awareness** and encourage them to provide employment opportunities to LTU
- Effective **governance processes** of the partnerships aiming to reintegrate the LTU are key