



The European Network
of Public Employment
Services

Annual Report of the European Network of Public Employment Services

June 2014 – June 2015



This report has been prepared thanks to the contributions of the Members of the Network.

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Acronyms

AFIs – Areas for Improvement

ALMP – Active Labour Market Policies

CSRs – Country Specific Recommendations

ELGPN – European Lifelong Guidance Policy Network

ESF – European Social Fund

EMCO – European Employment Committee

EURES – European Employment Services

HoPES – Heads of Public Employment Services

LTU – Long-term Unemployment

MS – Member States

NEETS – "Not in Education, Employment, or Training"

PARES – Partnerships between Employment Services

PARES SD - Partnerships between Employment Services - Strategic Dialogues

PES – Public Employment Services

YG – Youth Guarantee

Foreword



The Board of the Network at its launch on 23.09.2014

Currently Public Employment Services (PES) face major challenges, possibly greater than ever before. These reflect the significant changes being experienced on the European labour market including an ageing population, globalisation, and enhanced automation. In Europe we face extremely high levels of youth and long-term unemployment, yet suffer from skill shortages in many sectors. Achievement of Europe 2020 targets requires structural unemployment and social exclusion to be addressed.

At the same time the social context within which PES operate is constantly shifting. An increasingly well educated population, involved in the ever more rapid transmission of information, expect personalised efficient services, delivered at a time and via a media that best suits them. As we emerge from the crisis, meeting the needs of all customers has therefore never been more important. PES must offer attractive services to employers.

Only by supporting both supply and demand requirements can PES achieve their ambition to deliver a conductor role on local, regional, national, and European labour markets. Exploiting the wealth of information now available, not just within PES, but also through effective delivery partnerships, is the key for PES to make the best use of their knowledge and expertise. More effective data mining will enable service delivery to be optimised and for PES to be widely acknowledged as trusted advisors.

The PES Network, established in June 2014, provides the infrastructure to enable Member States to co-operate and support each other to realise this ambition. It is no coincidence that the benchmarking indicators in the legal text of the Decision to establish the Network set targets which reflect the challenges all PES face to deliver this vision.

Our first year as a formal network has been one of building the foundations, and ensuring that all necessary structures are in place to increase the pace of PES modernisation, matching the exciting changes in the wider society we serve.

Focussing on practical implementation of the Youth Guarantee has been a key theme and will remain as a priority in the years ahead. The Network has been very instrumental in delivering policy advice at the high-level youth conference in Milano, Italy on the Youth Guarantee; sound working relations in the area of the multilateral surveillance of the country-specific recommendations have been established with EMCO (the Employment Committee) and the Commission with the delivery of a contribution on long-term unemployment.

I commend to you the first annual report of the Network, and trust that you will find it to be of interest.

Frank-J. Weise

Chair of the PES network Board
Director General of the Bundesagentur für Arbeit - The German Federal Employment Agency

1 - Introduction

This report covers the first year of operations of the new Network of European Public Employment Services (PES). Delivery of a Work Programme is central to Network's support for PES. This is intended to assist them in implementing policies which contribute to achievement of the objectives of the Europe 2020 Strategy for jobs, and smart sustainable and inclusive growth.

"The establishment of the PES Network, under a European-wide legal framework, is a great step forward in recognising the key role that PES play in delivering labour market policies to tackle unemployment and social exclusion." Marian Valentovic, DG, PES Slovakia

The regulation establishing the Network¹ describes peer review through Benchlearning as the vehicle to assess progress with PES modernisation to enable delivery of the 2020 agenda. In its first year the Network has developed and successfully piloted a methodology which will enable initial assessment of all PES by June 2016.

The Work Programme includes Mutual Learning events and a number of these were delivered during its first year. These have been designed to

specifically address PES relevant themes emerging from Country Specific Recommendations (CSRs) and specific major European Policy initiatives, especially the Youth Guarantee (YG) with a focus on the outreach to NEETS.

The Network has a formal role in the European Employment Committee (EMCO) surveillance of PES, YG, and delivery of Active Labour market Policies (ALMP). PES experts represented the Network at several sessions to question Member States' (MS) officials on operational delivery issues. Similarly, the Network has contributed to the consultation on a proposal for a Council Recommendation on the integration of long-term unemployed (LTU).

More in-depth Technical Assistance programmes have been developed through Network support for wide ranging PES reform plans being developed by the Bulgarian PES, and in concert with the Task Force for Greece, supporting the Greek PES re-engineering programme.

The crucial importance of partnership working has been in evidence with a number of events. Notable amongst these have been a large stakeholder event in May 2015. This brought together representatives, from PES, Council and European Parliament, social partners, private employment services and other stakeholders to consider how partnerships can support development of a stronger European Labour Market. The Network continues to support the PARES (Partnerships between Employment Services) initiative, promoting dialogue between a range of public and private agents to explore actions which can improve labour market operation.

The Network annually reviews PES capacity, including to deliver the YG. 14 PES reported an increase in staff numbers during 2014, with 10 reporting decreases and 3 not reporting changes. Most PES are handling more vacancies and they are working with more jobseekers than they were in 2009. PES expenditure has increased moderately between 2013 and 2014 after it experienced an overall drop between 2009 and 2013. The YG has clearly provided an impetus to enhance support for the young unemployed, however in many cases this has yet to be matched by efforts for disabled and long term unemployed jobseekers.

¹ Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on Enhanced Cooperation between Public Employment Services (PES): <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0573&from=EN>

PES clearly face differing challenges in dealing with their various labour market situations, however evidence from the first year is that the enhanced co-operation between European PES is having a positive impact. The new Network is fostering increased co-operation, facilitating mutual support activities, and promoting a cohesive response by PES as Europe continues to emerge from the crisis.

2 - The PES network Work Programme 2014-2015

The Decision requires the Network to adopt and implement an annual work programme. Activities are funded by the European Commission which also provides a Secretariat to service the Network including co-ordination of its activities.

i. Development and implementation of a European wide *benchlearning* system

Benchlearning is defined in the Decision as *"the process of creating a **systematic and integrated link between benchmarking and mutual learning activities that consists of identifying good performances through indicator based benchmarking systems"***.²

It consists of identifying good performance through indicator-based benchmarking systems, using findings for tangible and evidence –informed mutual learning activities and provides an empirical basis upon which to prioritise subjects for these.

"I follow the Benchlearning initiative with great interest and expect that this will give useful input to efforts to modernise and develop the Swedish PES and its services." Mikael Sjöberg, DG, PES Sweden

PES performance will be assessed through analysis of performance data and through an on-going process of PES peer review. It also offers substantial opportunities for PES to co-operate in bi and multi-lateral technical assistance initiatives, sharing learning from their experiences, and channelling mutual support. The benchlearning approach can also be applied to support PES modernisation actions in response to CSRs. This will support the operationalizing of European Employment Policy,

steer reforms that assist progress towards achievement of the 2020 European Employment Strategy targets, and further encourage PES towards realisation of the Europe 2020 service delivery vision.

ii. Support for implementation of PES related Country Specific Recommendations

The Decision refers to Network support for PES related CSRs, and *"contribution to the implementation of policy initiatives, modernising and strengthening PES in key areas in line with the employment and social objectives of Europe 2020"*.

June 2014 CSRs included recommendations for 12 MS to improve their PES operations and for 14 to improve the efficiency of ALMPs. 20 MS' CSRs contained recommendations to improve other aspects of labour market policies, which will in most cases require PES intervention. Whilst previous CSRs remain relevant it is envisaged that as the new benchmarking systems mature (see 5ii below) they will in many cases provide the necessary impetus and support for PES performance improvement without the need for specific CSRs in all cases. Hence a more targeted approach to the design of CSRs is being

² http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.159.01.0032.01.ENG

adopted from 2015, with 3 having specific PES related CSRs, 4 addressing LTU, and 10 other areas of ALMP.

As such topics addressing past and present CSRs are being systematically integrated into benchmarking and mutual learning (see 4ii below) activities. Countries with PES related CSRs topics and the needs of the respective PES which received them have been prioritised in the first year of the benchmarking exercise and learning events designed to address PES development needs.

iii. Monitoring and supporting delivery of the Youth Guarantee

Following the Council Recommendation of 22 April 2013 establishing a Youth Guarantee³, the PES Network participated in the monitoring of YG implementation (see 3i below) and supported its delivery. It co-operated closely with the European Employment Committee (EMCO) which oversees policy orientation and monitors outcomes.

From 2015 the monitoring of the PES relevant components of the implementation of the YG has been integrated into benchlearning. Quantitative data on the status of implementation of the YG by PES will now be collected through benchmarking indicators and a revised version of a **PES Adjustment to the Crisis Questionnaire** (see 5i below). Assessment of PES capacity to implement the YG identified a specific need to develop an evidence base with improved monitoring and evaluation. The development of benchlearning should provide impetus to support this. Qualitative benchmarking /PES site visits and the mutual learning activities on the implementation of the YG offer opportunities for a qualitative assessment of PES practices for delivering the YG. The monitoring takes into account the specific role and tasks which the individual PES are given in national YG programmes. The results of the monitoring conducted by PES flow into the overall monitoring of the YG and support the European Semester process by providing relevant information on the implementation of the YG. The Work Programme includes mutual learning activities to support the implementation of the YG, focussing on areas for improvement identified in the course of ongoing performance review.

iv. PES modernisation and contributions to the Europe 2020 Strategy

PES are fundamental players in fighting unemployment in Europe and in ensuring the success of the EU 2020 Strategy for jobs, and smart, sustainable, and inclusive growth. It is the quality of their services which largely determines the impact of employment policies on the ground. The Europe 2020 Strategy is implemented and monitored in the context of the European Semester, the yearly cycle of co-ordination of economic and budgetary policies.

However, there are big differences in the performance of PES between MS. PES face many challenges due to changes in the way the labour market functions, budgetary constraints, and increased expectations from citizens. The Network therefore supports cooperation and sharing of knowledge between PES to help them increase their performance and adapt their business model to changing circumstances and clients' needs.

"Dialogue with partners through the European PES Network has greatly assisted us in revising our priorities and planning the ESF interventions for 2014-2020 as we seek to reform PES services in order to deliver the Europe 2020 Employment Strategy."
Cristiana Barbu, DG Romanian PES

³ <http://ec.europa.eu/social/main.jsp?catId=1079>

To further this process activities proposed under the previous PES 2020 action plan for 2014-2015 were integrated into the Network Work Programme. This has entailed activities to assist PES in reform and modernisation of services that can foster optimal labour market function. These included a PES Network Launch Conference where delegates, both from PES and other stakeholders, participated in thematic sessions exploring key issues including the PES Role as a Labour Market Conductor and Labour Market Transition Management.

3 - Major PES Network activities to support Policy Initiatives

Following the adoption of the **Council Recommendation on establishing the Youth Guarantee**⁴ and the conclusions of two extraordinary Heads of PES meetings in 2013 within a Paris and Berlin process of high-level youth conferences, the previous Heads of Public Employment Services (HoPES) Network agreed to jointly work on PES specific mutual learning activities on the implementation of the Youth Guarantee, and to monitor the PES relevant parts of the YG (including in the context of national YG implementation plans). This process has continued in the Work Programme of the new PES Network.

i. Network support for the Youth Guarantee

The Decision requires PES to promote and share best practices for the integration of NEETS. This was therefore prioritised in 2014-2015 Network activities. A **Catalogue of PES Practices for the outreach to NEETS**⁵ was produced. This included examples from 17 PES reflecting the different ways that this service is delivered across Europe. These involved partnerships with a variety of other service providers, establishment of specialist centres, mobile community services (including street work), and innovative use of social media.

No clear trend of PES involvement was identified. Models included PES both having a central, conductor role, within broader delivery partnerships, and in other cases having a contributor function.

Not many examples were identified of PES developing relationships with schools and educational providers. Data protection is a particular issue. Notwithstanding such difficulties, development of a more proactive approach remains a PES priority area for improvement. Outreach work tends to be labour intensive; working with groups who are a long way from the labour market and frequently have few qualifications continues to present a significant challenge for PES. New organisational and institutional arrangements have been identified as necessary to deal with this.

At a **Network Workshop Seminar on PES practices for the outreach and activation of NEETs**⁶ PES experts exchanged experiences and learnt about new practices and techniques that they can transfer to their organisations. An annex to the Catalogue of Services paper summarised the findings from the seminar at which a number of PES practices were discussed and validated. Follow up visits will ensue to assist MS introducing new measures.

"Mutual learning through the PES Network has been of great assistance to the Irish PES. As we continue on an ambitious reform programme it is invaluable to share and learn from the experiences of colleagues facing similar challenges." John McKeon, DG, PES Ireland

⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

⁵ <http://ec.europa.eu/social/BlobServlet?docId=13728&langId=en>

⁶ Results can be found as annex to the document above.

Over half of PES has participated in mutual learning activities on youth with other Member States as part of YG implementation. This includes participation in seminars, workshops, information exchange meetings and conferences related to YG implementation. PES have also participated in youth-related mutual learning activities through other EU programmes such as Euroguidance, the European Employment Service (EURES), and the European Lifelong Guidance Policy Network (ELGPN).

ii. Progress on Youth Guarantee delivery/PES self-assessment

The Catalogue of Measures for Implementation of the Youth Guarantee⁷ listed measures planned or recently implemented by PES to develop their service offer. It details evaluated and promising measures on the implementation of the YG identified by members of the Network.

The examples were submitted as part of a questionnaire on the PES capacity to implement the YG issued in September 2014. PES critically self-assessed different aspects of their capacity to implement the YG. This updated a similar assessment completed by PES in 2013. The results were collated in the **Second assessment report on the PES capacity to implement the Youth Guarantee**, published in November 2014⁸.

Four areas of service delivery were assessed: a) Labour market transparency, b) Comprehensiveness of services, c) Services for employers, and d) Activation and placement.

Across the four areas of service delivery assessed, capacity has improved year on year between 2013 and 2014 in two areas, services for employers (+9%) and activation and placement (+14%). PES capacity in providing transparency of supply and demand has fallen (-5%), while average PES capacity to provide a comprehensive range of services for young jobseekers was introduced in the 2014 questionnaire and was assessed as medium.

Labour market transparency

To ensure transparency of supply well-functioning databases of youth are necessary. For demand side transparency these data bases must be readily available, and include information on apprenticeship and traineeship positions as well as traditional job vacancies.

PES ranked their capacity to establish transparency as medium, highlighting strengths and shortcomings in both supply and demand sides. The main supply side shortage concerns insufficient capacity to collect and use data on inactive youth. The analysis and use of data on unemployed youth was reported as a regular practice across most PES with the YG preparatory process intensifying efforts in this regard.

On the demand side vacancy exchange with private agencies was an area of weakness for many PES and only a small number have undertaken work recently to improve the situation. For most PES the main strength on the demand side relates to having a national vacancies database. A number of PES are taking steps to improve client access to these. Demand side transparency needs to be strengthened in vacancy handling, targets, data collection and analysis of labour market conditions.

⁷ <http://ec.europa.eu/social/contentAdmin/BlobServlet?docId=13199&langId=en>

⁸ <http://ec.europa.eu/social/contentAdmin/BlobServlet?docId=13198&langId=en>

Comprehensiveness of services

Evidence confirms that provision of employment and counselling and guidance services for YG clients tends to rest heavily on PES and partner organisations. PES rank their capacity to offer employment counselling and career guidance as medium. They indicated particular strengths in ensuring a multi-channel strategy, though there is significant room for improvement in how multi-channel strategies are evaluated.

Positive results were also recorded for the provision of both counselling and guidance services and in the capacity to offer individualised services for young clients. However many PES highlighted concerns at high caseloads caused by a combination of high unemployment rates (and consequent high numbers of job seekers) and budgetary constraints. Counselling capacity in services to support entrepreneurship had slightly fallen. Careers guidance was assessed in the middle of the medium range. This is particularly important in the context of the YG as it is key to help young people to make informed choices and structure their long term career goals.

Services for employers

Within the context of the YG, working with employers is important to secure sustainable placements and real life work experience opportunities for young people. It can also lead to the PES developing a greater knowledge of employers' current and future needs. PES assess their capacity to deliver services for employers (in the YG context) as medium, but positively year on year results show improvements in arrange of areas of service delivery with above average performance in areas of vacancy submission and delivering proactive employer services.

Multi-channelled employer services (available online, in person, and over telephone), and overall, proactive approaches such as pre-selection of candidates, arranging work trials, and recruitment support were regarded as particular strengths, while the offer of employer counselling could be improved. Many PES reported strong capacity in the area of automatic vacancy matching tools which, with the help of data matching, bring together vacancies with individual jobseekers' profiles. These typically cover all age and target groups rather than being youth specific. Some PES are focussing on developing new vacancy matching tools, others are concentrating on addressing reported challenges such as poor-quality information. However, overall PES performed less well on average concerning matching tools, employer engagement, the counselling services offer and evaluation of employer services. A lack of staff resources was mentioned by many PES. Overall services to reach out to employers appear better developed, but the detail of services provided and analysis are areas for improvement going forward.

Activation and placement

Early intervention and activation together with supportive labour market integration measures are central to the YG. PES are central players in the implementation of the YG, with key responsibility in many MS for the achievement of the YG early intervention objective. Central PES tasks in this role include, profiling jobseekers, drafting individual action plans, facilitating effective placement of young people in employment or training, and effective allocation of ALMPs. PES evaluated their capacity as medium with a year on year improvement. They identified individual action planning, supply of approved education and training providers and sufficient funding for ALMPs as the strongest areas. There was considerable improvement in access to appropriate staff resources, preventative interventions, and individual action planning. Capacity to monitor transition outcomes remained unchanged, while capacity to evaluate client satisfaction fell.

Results showed improved PES capacity for allocating ALMP resources though there are issues in ensuring sufficient resources and tools are provided for capturing client satisfaction with the services provided. Investment and capacity in monitoring, tracking, and evaluating ALMPs targeted at young people needs to be strengthened to maximise

effectiveness and efficiency. Ensuring PES involvement in early intervention – referring to provision of PES services before young people leave school or training, or before losing their job in case of a dismissal, so that they can be supported (back) into active options as soon as possible is crucial. A number of PES have put in place measures to improve the allocation of ALMPs in terms of their delivery and resources to ensure that they are relevant, up to date, and avoid deadweight effects. Sufficient funding, labour market information, monitoring capacity, and training provision were identified as key enablers. High quality vocational training was noted as important in equipping young people with work-related skills that can then make them more attractive to potential employers.

Following the Self-Assessment Report, Areas for Improvement (AFIs) in YG implementation were identified for 26 of 30 PES. A **June 2015 Study on PES Youth Guarantee Implementation** analysed PES progress in addressing the most critical AFIs. Most PES have attempted to address these, ten have, or are in the process of, addressing each or all of the identified areas, while a further fifteen have, or are in the process of, addressing some of these. Three PES have not yet addressed any identified AFIs.

The critical AFIs identified in 2014 for the highest number of PES were improving vacancy handling, evaluating the effectiveness of communication, and the quality of co-operation between PES and schools/training providers. Almost two thirds of PES previously indicating poor capacity in these areas have, or are currently in the process of undertaking interventions to improve this aspect of service delivery. However, over one third of PES previously identified as very weak in regard to vacancy handling and evaluating the effectiveness of communications have not undertaken improvement activities.

Evaluation of client satisfaction is the critical AFI addressed by most PES, high proportions of PES have also intervened to improve in having dedicated specialist trained staff for dealing with young people, the quality of co-operation and information exchange, and targeted communication for young people using appropriate communication channels.

No interventions were reported by the four PES rated as very weak in achieving sufficient funding for ALMPs for disadvantaged people.

iii. Network input to European Employment Committee multilateral surveillance (on PES and YG)

The Network assumed a formal role in the European Semester multi-lateral surveillance process. PES Network representatives actively participated in EMCO reviews of MS progress on PES related CSRs and progress in delivering the YG. Their role was to ask MS questions concerning the operational delivery of these initiatives. This input from the Network was viewed as most beneficial by both EMCO colleagues and MS representatives, who appreciated this specialist input to the exercise. Network representatives drew upon their knowledge and expertise to ask specific questions to test progress in: strengthening PES capacity, supporting delivery of ALMPs, and developing necessary mechanisms to enable the successful implementation of the YG.

iv. Network contribution to the consultation regarding a Commission proposal for a Council Recommendation on the integration of long-term unemployed into the labour market

The PES Network Board agreed at its December 2104 meeting to convene a Working Group to offer advice to the Commission, and explore the issues for the PES, in

supporting a **Draft Council Recommendation on the integration of long-term unemployed (LTU) into the labour market.**

The Board provided a mandate for a Network Working Group to produce a paper providing both policy advice, and a response to the open consultation regarding the proposal⁹.

The paper produced by the Working Group and endorsed by Network endorsed the principle of the Recommendation as a positive initiative to improve LTU re-integration rates. It noted the different starting points and economic situations in MS and suggested flexibility in policy design to allow for adaptation to national circumstances.

The Network recognised the crucial importance of tackling LTU, and will continue to cooperate with, and support Network members to assist in the implementation of a Recommendation. It specifically identified the importance of: early intervention as a preventative measure, individualised service provision; an activation culture of rights and responsibilities; re-enforcement of the demand side; and links with employers.

v. Network contribution to EMCO on the Employment Guidelines

The network was invited by EMCO to contribute with an opinion to the comments provided on the Employment Guidelines. This provided an operational input to policy formulation enabling the PES perspective to be taken into consideration when final guidelines were agreed.

4 - PES modernisation and support for EU 2020 Strategy

i. Mutual Assistance

Bulgaria

During 2014 the Bulgarian Ministry of Labour approached the European Commission and the PES network requesting support to implement a CSR "To improve the Efficiency of its PES by developing a performance monitoring system and better targeting the most vulnerable, including low skilled and elderly workers, LTU and Roma".

Following this, the resources of the new Network were employed to establish a Technical Support programme for the Bulgarian PES. A joint team of experts from 3 PES (Austria, Belgium Flanders, and Germany) and the Commission worked with Bulgarian colleagues to design an assessment process delivered during field work in a mission to Bulgaria in October 2014. Elements of the Benchlearning methodology were used to support a study of Bulgarian PES operations and identify AFIs and key issues needing consideration to enable Bulgaria to deliver the PES CSR. Following the visit an assessment and report was produced and endorsed by the Bulgarian PES including a number of technical and policy recommendations. These have subsequently formed the basis for a reform blueprint now being developed by the Bulgarian PES who have recently approached the Network requesting further assistance with the next phase of their change programme.

Greece: PES re-engineering programme

The Network is supporting the Task Force for Greece through provision of technical assistance for the Greek PES re-engineering Programme.

⁹ The paper produced can be found here: <http://ec.europa.eu/social/BlobServlet?docId=13881&langId=en>

"The PES Network is a permanent forum of exchange of good practices. As such, OAED has been inspired by this contribution of the Network, in particular through the collaboration of the three PES of UK, Germany, and Sweden, in our organisation's re-engineering programme." Maria Karamesini, Governor PES Greece

This European funded initiative commenced in 2011 and has been supported by experts from the Commission, and 3 PES (Germany, Sweden, and UK). European partners and the Greek PES have collaborated to develop a comprehensive reform programme covering all areas of the Greek PES organisation. Teams of PES staff, with Network support, are re-designing core processes, revising the approach to partnership working, upgrading IT systems and applications, re-designing training programmes, and reviewing

organisational structures and strategic management approaches.

A fresh approach to employer engagement has recently been launched, and a pilot office opened in December 2014 providing a live running approach to test new systems.

ii. Mutual Learning Programme

Workshop on PES Practices for the Outreach of NEETs

A Workshop on PES Practices for the Outreach of NEETs¹⁰ was held in January 2015. This addressed five key questions through discussion and validation of practices from six PES:

- What are the key ingredients for successful partnership working, and how do PES contribute to this?
- How do PES efficiently and effectively use resources?
- Where do PES target their work with NEETs?
- What outreach approaches work for whom – and why?
- How do PES work to ensure that interventions equip a young person to enter – or re-enter – the labour market?

The key conclusions were that PES need to ascertain which approaches are relevant to a country specific context. Key variables for individual MS included resources, legal frameworks, and the PES role and remit. Personal contact, flexible and holistic delivery models, well targeted communication, and effective monitoring were all identified as key factors.

Good quality monitoring data to assess quality of services offered, understand their impact, and track progress and outputs were essential aids to support service delivery agents. Manageable, relatively small caseloads were viewed as especially key to success.

Profiling Study

A study of the latest trends and current developments in methods to profile jobseekers was undertaken during the year. It comprised three elements, a literature review, case studies of 6 MS, and a PES Expert Workshop in March 2015 attended by representatives from all Network PES and other key stakeholders. The final report **Identification of latest trends and current developments in methods to profile jobseekers in European PES**¹¹ includes practical advice for PES implementing profiling systems to support their delivery strategies.

¹⁰ Results can be found as annex to this document:

<http://ec.europa.eu/social/BlobServlet?docId=13728&langId=en>

¹¹ <http://ec.europa.eu/social/BlobServlet?docId=13728&langId=en>

A number of key considerations were identified. The rationale and design of approaches to profiling and of tools to be developed by PES for this purpose were dependent upon the country and institutional context, and purpose of profiling (i.e. to allocate resources, identify those most at risk of LTU etc.). These contexts were noted as having a crucial impact on system design, extent of caseworker discretion, and jobseeker exposure to the results from profiling.

A careful reflection by PES of the specific reason for their introducing profiling systems was seen as an essential element of a plan to develop profiling systems. The key role of this agenda in supporting new approaches to determining the nature of services for LTU was noted as an important PES policy priority for the forthcoming period.

PARES

The PARES (Partnership between Employment Services) initiative is part of the Europe 2020 Strategy. The initiative supports EU-level dialogue to promote co-operation between different forms of employment services (public, private, and non-profit) and to identify where they can deliver complimentary services, with the ultimate objective of improving the functioning of labour markets in Europe. PARES Strategic Dialogues (SDs) provide a forum for relevant stakeholders to discuss specific issues within this remit in order to develop consensus based recommendations targeted at policy makers and/or practitioners in order to take issues forward.

The first PARES SD of 2015, held in Brussels on 17 March, covered the issue of "**Effective E-services**". The objective was to consider how e-services can be effectively used to address service delivery issues (scale and scope) and maximise available resources. The SD discussed operational aspects of using e-service in terms of what problems they seek to solve and for whom; the role of partnerships in the development and delivery of e-services; and what impact they have on employment services and clients.

A number of recommendations emerged from the SD. Clarifying the legislative framework within which PES operate was of primary importance. Given the evolving nature of social media, it was especially important to review the notion of privacy. It was noted that E-services should not be a simple "bolt-on" to existing services, but be introduced where they rationalised and simplified delivery processes. System interoperability was identified as key to enabling information and data sharing, as well as offering a joined up service to clients.

A sound communication strategy, with the content of websites viewable on PCs, tablets, and smart phones, and an appreciation of the IT skills of customers were seen as essential. The report of the event concluded that digitalisation raised questions concerning the continuing appropriateness of traditional PES organisational structures which should be reviewed in the context of modernisation, technological developments, and increased automation. It suggested that the opportunities under the new PES Network should be optimised to allow for the further exploration of E-services.

Stakeholders' Conference

A Network Stakeholder Conference was held in May 2015 in Brussels to address the issue of partners **working together for a stronger European labour Market**. PES Network Board representatives, representatives of the Council and the European Parliament, private employment services, social partners, NGOs and other stakeholders from over 40

organisations met to develop in a series of workshops new ideas related to partnership working in the following areas:

- Partnerships with Private Employment Services
- The PES Network Contribution to the European Semester
- The role of social partners in the PES reform
- PES work with private employment services and guidance, education and training providers to deliver the Youth Guarantee
- PES as a conductor of partnerships between labour market actors
- Bridging career transitions: PES work with employers and skills development of jobseekers/ job-changers

"The power of the European Network lies in joining forces. Not just among PES but with all our partners on the labour market. Only through joined efforts will we be able to deliver the EU 2020 Employment Strategy."
Fons Leroy, DG of PES Flanders, Belgium

The PES network Board will analyse the proposals for partnerships put forward at the conference and initiate next steps with the various stakeholders.

5 - Performance Monitoring

i. Analysing PES capacity

The most recent **Assessment Report on PES capacity** (June 2015) updates findings from previous surveys on the PES adjustment to the crisis and the 2014 Business Models Study¹² drawing on available continuous time series data. This report and the complementary **Assessment report on capacity to implement the YG** provide an information base to support the Network as it introduces a process of systematic, dynamic, and integrated benchlearning. The report provided an overview and analyses of the main trends on how PES are developing linked to 5 aspects of PES capacity and the client service offer.

It was noted that the numbers of jobseekers served by PES, the registered unemployed and vacancies handled have increased between 2009 and 2014. By 2014, all PES - with three exceptions - were handling more vacancies than they were in 2009. Analysis of expenditure presents a mixed picture. PES expenditure has fallen by 10 % in real terms between the period 2009 and 2013 while PES expenditure has increased moderately between 2013 and 2014. Two thirds of PES (18 out of the 29 PES that provided data) are forecast to experience an increase in expenditure from 2014 to 2015, while the remaining 11 PES are forecast to experience a decrease.

"Information obtained through benchlearning has enabled the Hungarian PES to improve its performance indicators and pilot enhancements to its quality management system". Laszlo Modori, DG, PES Hungary

PES face very different challenges given their respective shares of young, long term, and older unemployed. Percentage differences amongst MS between the highest and lowest shares for young people (21.7 p.p. difference), the long term unemployed (35.9 p.p. difference) and older workers (19 p.p. difference) illustrate the challenges that the Network and individual PES face in charting a path towards common objectives and the

relative importance of their role in contributing to decreasing unemployment. The YG has clearly provided impetus to provide focussed support to young people, dedicated

¹² <http://ec.europa.eu/social/BlobServlet?docId=11972&langId=en>

counsellors for the long term and older and disabled jobseekers are less frequently available. The relative share of these groups relative to overall registered unemployment, and an increasing policy focus on harder to integrate clients with the proposed long term unemployment recommendation may point to a need for specific reflection on this issue in the forthcoming period.

Some PES are restructuring or are planning to restructure to strengthen their capacity in discharging employment services, or to meet the needs of a changing client base, for example to facilitate mobility or to help integrate immigrants into the labour market.

PES financing and expenditure

Two context factors can distort comparative analysis of PES budgets, whether benefits (generally accounting for a large proportion), and ALMPs (accounting for at least a quarter of expenditure in half of the PES in 2014) are included.

Where the PES budget incorporates payment of benefits social security contributions are the major sources of finance, in other cases government funding is the main source. ESF currently represents at least a quarter of funding in 6 countries.

Human resources

14 PES reported an increase in staff numbers over the 2013-2014 period, 10 reported decreases and 3 have seen no change.

A similar trend is seen concerning the number of staff servicing clients (43 % increase, 39 % decrease and 17 % no change). In cases where staff cuts have been significant these cuts are attributed to restructuring and long term plans to rationalise the PES workforce.

Half of all PES (15 in total) use dedicated employment counsellors to deliver tailored support to young people, whereas a third use dedicated counsellors to support the long term unemployed (10 in total).

Two thirds of PES (21 in total) provided data on case handlers working directly with employers. Where data are available these staff typically represent fewer than 10 % of total PES staff.

ii. Progress on the implementation of Benchmarking

"Benchlearning is an excellent innovation. For the first time we have a system enabling comparative assessment of PES good practice across the European Union. The peer review process has great benefits in providing learning opportunities, not just for the organisation being visited but also for the PES providing assessors." Morten Binder, DG, PES Denmark

The decision requires PES to develop evidence based Benchlearning to compare performance with appropriate methodology. The overarching reason for Benchlearning is to help each PES improve its own performance through a structured and systematic self-reflection on how this has been achieved. PES will need to target resource effectively with activities focussed upon enhancing capability and creating transparency about results.

Though exogenous factors (labour market conditions, PES mandates, institutional settings) have a considerable bearing on PES performance strategic management decisions, business design criteria, and the nature of processes can have positive or negative consequences for delivery of employment policy.

Benchlearning is built on four main pillars:

- Quantitative and qualitative assessment of PES performance

- Systematic identification of good practices
- Establishment of a mutual learning system
- Initiation of structural reforms, with PES taking a conductor role within national administrations

The annex the Decision lists a number of performance enablers that can potentially influence outcomes.

The Network Board at its December 2014 Rome meeting endorsed a report from the PES Benchlearning Working Group, which had a mandate to develop a performance assessment framework, and identify common PES indicators to be used in assessing performance against Benchmarking Indicators as defined in the legal text.

The main focus of activity during the first year of the Benchlearning programme was to develop and test a methodology and develop a trading programme for PES assessors. Pilot visits were undertaken to 3 PES, and following these the methodology and PES assessment framework has been refined and revised. A timetable has been established for benchlearning peer reviews to be undertaken with all PES being visited twice over the next three year period to June 2018.

"In the Estonian PES we have already taken actions to improve our services for employers and we are piloting on-line training for staff following recommendations from a Benchlearning visit." Meelis Paavel, DG, PES Estonia

A programme has commenced to train assessors drawn from EU PES to populate assessment teams to undertake these peer reviews. 2015 visits will focus on MS with 2014 PES CSRs, and the results from the first round of benchlearning assessments will be available from June 2016.

6 - Impact of Network Activities on members after one year – perspectives and testimonials from PES

"Discussing employer engagement with partners from other European PES has inspired us to totally revise our approach to Employer services in a way that would not have been possible without the opportunities presented by the PES Network. This has helped us to reinforce our internal procedures and to develop a strong and trusting relationship with employers based on mutual cooperation agreements."

Isabelle Schlessler, DG, PES Luxembourg

The impact of mutual learning on PES was discussed at a Network Dialogue Dissemination Conference held in Brussels in October 2014. When questioned about the impact of participation in PES Network events PES reported a total of 136 instances of change with almost all implementing at least one change following attendance. 8 PES reported 3 or more examples.

PES confirmed that in this environment the subjects chosen for learning events were particularly timely for them in a period of change, working in difficult economic conditions. They emphasised the importance of adequate financial and human resources to support modernisation. PES also commented

that the creation of specific Network working groups to address particular areas of activity were important in making changes happen.

PES reported changes to activities in a range of areas including:

- Services for employers: 16 examples
- Quality management and professionalism of employment counsellors: 14 examples

- Blended service delivery: 13 examples
- Approaches to dealing with long-term unemployment: 10 examples
- Performance management: 8 examples
- Services for low skilled adults and older workers: 7 examples
- Services for the low skilled young people and adults: 3 examples
- Multi-channelling: 2 examples
- Profiling: 1 example

Extensive networks and the improved co-operation now possible with the new enhanced structures for dialogue between European PES were viewed as particularly important to implementing change.

7 - Forward Look – the horizon to 2017

PES will continue to face significant challenges over the forthcoming period in the years to 2017, playing a key role as Europe emerges from the crisis. In many cases there will be continuing pressure on resources, combined with enhanced expectations from Governments in MS and citizens to improve services. Modernisation will need to offer increasingly automated and digitalised services, whilst PES will need to place even greater priority on combatting youth and long term unemployment, and re-integration and inclusion of the most vulnerable. Benchlearning will be a prime driver for the performance enhancement and improvement necessary to meet this challenge. The future Network Work Programme will include a range of activities to support PES in addressing AFIs identified through Benchlearning. These will cover subjects including resource allocation, assessing customer satisfaction, support for mobility, skills assessment, and partnership working.

"I believe that the Benchlearning process represents for us a great opportunity not only to look inside our system from a different point of view and perspective, but also to manage in the best way the changes we are dealing with, in consideration of the structural reforms we are putting in place in the field of labour market policies and services". Salvatore Pirrone, DG PES Italy

Annex 1 - Events and PES network outputs

PES Network Board Meetings	<ul style="list-style-type: none"> ▪ Inaugural launch meeting - Brussels 23rd September 2014 ▪ Extraordinary meeting and contribution to High Level Youth Employment Conference - Milano 8th October 2014 ▪ Board meeting – Rome, 1st-2nd December 2014 ▪ Board meeting – Riga, 10th-11th June 2015
PES Conference	<ul style="list-style-type: none"> ▪ PES Network stakeholders' conference: Working together for a stronger European Labour Market, Brussels 26-27 May 2015
Mutual learning events	<ul style="list-style-type: none"> ▪ 4th PES to PES Dialogue Dissemination Conference, Brussels 9-10 October 2014. ▪ Network Workshop – PES practices for the outreach and activation of NEETS – Brussels 16 January 2015 ▪ PES Expert Workshop – Trends and developments in Profiling – Brussels 12-13 March 2015 ▪ PARES Strategic Dialogue – Effective E Services – Brussels 17 March 2015
PES Network papers and studies	<ul style="list-style-type: none"> ▪ PES Network Self-assessment Report on PES capacities to implement the Youth Guarantee, 2014 ▪ PES Network Catalogue of Measures for implementation of the Youth Guarantee, 2014 ▪ The role of PES within the delivery of the Youth Guarantee, PES network contribution to the high-level youth employment conference in Milan, Italy, 8.10.2014 ▪ PES Network contribution to the consultation on long-term unemployment, 2015 ▪ PES practices for the outreach and activation of NEETs, 2015 ▪ Assessment Report on PES capacity, 2015 ▪ Report on PES Implementation of the Youth Guarantee, 2015 ▪ Identification of latest trends and current developments in methods to profile jobseekers in European Public Employment Services Final Report, 2015
PES Network Working Groups	<p>Following mandates from the Network Board expert groups produced reports, on proposals for Benchmarking methodology, and providing policy advice and a PES contribution to the consultation on a Draft Council Recommendation on the integration of long term unemployed into the labour market</p>
PES Network Newsletter	<p>The Network produces a Newsletter up to four times a year. This provides both updates on recent Network activities and general information on European employment service and labour market issues.</p>

Annex 2 - The PES network at a glance

What is the network?

The Network was created following a Decision of the European Parliament and Council "on enhanced co-operation between Public Employment Services", adopted in May 2014¹³. It brings together the PES of all Member States, Norway and Iceland and the European Commission. Its objective is to reinforce PES capacity, effectiveness and efficiency through providing a platform for comparing their performance at European level, identifying good practices and establishing a mutual learning system. The network is governed by a Board, where each Member State, Norway, Iceland and the Commission are represented by one member. Chair of the Board is Frank-J. Weise, the Chair of the Federal Employment Agency of Germany (Bundesagentur für Arbeit).

Why was it created?

PES are fundamental players in fighting unemployment in Europe and in ensuring the success of the EU 2020 Strategy for jobs, and smart, sustainable, and inclusive growth. It is the quality of their services which largely determines the impact of employment policies on the ground. However, there are big differences in the performance of PES between Member States, and the legislative frameworks within which they operate. PES face many challenges due to changes in the way the labour market functions, budgetary constraints, and the increased expectations from citizens. The Network will support cooperation and sharing of knowledge between PES to help them increase their performance and adapt their business model to changing circumstances and clients' needs.

How does the Network work?

The core of the Network activities is the development and implementation of a European wide *benchlearning* system. Benchlearning is the process of creating a systematic and integrated link between benchmarking and mutual learning activities that consists of identifying good performances through indicator-based benchmarking systems and of using findings for tangible and evidence-informed mutual learning activities.

Benchlearning is built on four main pillars:

- Quantitative and qualitative assessment of PES performance;
- Systematic identification of good practices;
- Establishment of a mutual learning system;
- Initiation of structural reforms, with PES taking a conductor role within national administration.

The Network supports its members in the implementation of specific actions like the YG and in addressing the CSRs concerning PES areas of interest.

Finally, the Network provides decision makers at national and European level with expert advice to support design, development, and assessment of employment policies.