

# ***EZ/EEA Public Employment Service Network***

## ***Mission Statement***

***Lahti, Finland 4 December 2006***

## **Introduction and Background**

- In March 2000, the European Council launched the Lisbon Strategy to create sustainable economic growth with more and better jobs and greater social cohesion and, through its focus on increasing economic and employment activity, addresses also social exclusion as a central challenge. The Strategy was revised and reinforced in 2005 to better reflect new challenges and objectives. The Employment Guidelines are the principal instruments which underpin its implementation.
- Public Employment Services as public services have a specific role in the labour market: they deliver services free of charge to jobseekers (both unemployed and job-changers) as well as to employers, which aim to bring jobseekers and vacancies together, and also contribute to improved transparency in the labour market. They play this specific role among other actors.
- The Public Employment Services (PES), both as a stand alone public service and as a partner with other organisations, have a central role in implementing the new Lisbon Strategy. Those Guidelines which relate to attracting and retaining more people in employment, increasing labour supply and modernising social protection systems are of particular relevance in this context. The PES also have specific responsibility for certain targets and benchmarks, especially those covering new starts and the activation of long term unemployed people.
- The EU/EEA Public Employment Service Mission Statement aims to provide a common EU level framework that reflects shared objectives and activities within the expanded European labour market. It also seeks to provide a framework for “transferable learning” and to develop a “policy pool” from which national governments can draw to develop their own PES. Individual Public Employment

Services are encouraged to apply those activities and measures that best fit their respective national employment strategies.

- The Mission Statement is also intended to provide a relevant focus to support the preparation of Annual Work Programmes for the Heads of the PES network. This will improve the commitment and the contribution of our organisations to increase and focus cooperation as we move forward together.

## **1. “Long Term” Challenges**

In a continually changing environment the Public Employment Services face challenges on several fronts. It is understood that the environmental context within which each PES operates will influence the prioritisation and response to these challenges.

### **(i) *Global***

- A globalised economy based on free trade and capital flows, together with rapid technological change, presents significant challenges to our economies, to our societies and to our labour markets. Manufacturing jobs and now increasingly service sector and research and development jobs, are moving to countries with lower labour costs. At the same time, increasing competition in product markets can create dynamism and stimulate labour demand. This highlights the importance of developing a culture of continual business innovation and labour up-skilling in our economies. We can gain from international competition by developing new skills, improving productivity and increasing competitiveness. Globalisation presents challenges, but also creates new opportunities and new markets.
- Demographic changes and the ageing of the population mean that fewer workers are supporting large numbers of retirees. Older people must be prepared to stay in work longer, younger people must have the proper qualifications, and adults must be prepared

to participate more actively in the labour force during their life cycle. The changing nature of working age concepts results in people finding employment opportunities at every phase of their working lives. The recognition of prior learning i.e. non- formally acquired competences, lifelong learning and life-long guidance will play an increasingly significant role in the response to the challenges posed through globalisation and demographic change. The availability, and access to, lifelong learning will be a key issue for societies in adapting their workforces to the continually changing needs of their economy and labour market.

***(ii) Labour Market***

The challenges facing member States within the labour market will differ due to different contexts and variables at a national level.

- Structural unemployment remains a persistent problem in many EU/EEA countries. Indeed, long-term unemployment at EU level has actually increased in recent years. Rapid economic restructuring can make the situation all the more difficult. Structural unemployment creates many individual, social and economic problems. These include poverty, social problems, a drag on economic growth and affordability pressures for the benefits system.
- Demographic changes and a shrinking labour force are creating labour and/or skill shortages in a number of occupations and sectors of the economy in many countries. Skills shortages are expected to increase in the future.
- At the same time many countries have a high youth unemployment rate, which is a special risk for the future of Europe's economy and welfare model.
- Labour market mismatches mean that high levels of unemployment can exist side-by-side with high demand for labour. Labour market mismatches usually occur where a jobseeker's employment readiness, occupation choice, skills/competencies or earning

requirements do not match employers' demands. Regional mismatches of labour are also an issue in many countries. The PES has an important role in building an appropriate relationship with its employer clients in order that it can deliver effectively on its role as "Broker" between unemployed people/job-changers and employers. Through its brokerage role, and the provision of strategic labour market information, the PES helps to address the challenge of labour market mismatches.

- :Labour market mismatches are closely linked to labour mobility and immigration. In many countries, these mismatches are being tackled by encouraging cross-border worker mobility. Increasing immigration levels may help some countries alleviate labour shortages, but may equally exacerbate mismatch issues in others. The tightening labour market has also seen the emergence of new forms of employment and atypical working arrangements. A well functioning labour market and increasing employment participation rates, e.g. women returning to the workforce, are growing more important to maintain sustainable economic growth.

- Long-term unemployment is one of the main causes of social exclusion. It creates both human suffering and reduces the pool of available workers in a tightening labour market. The challenge is to improve the conditions for the least advantaged jobseekers and to provide them with sufficient supports to bring them closer to and into the labour market.

## **2. Public Employment Service Objectives**

The overall objective of the PES is to help people to find suitable employment and to help employers to fill their vacancies, in the most efficient and effective manner. As outlined above, the PES will also need to achieve a balance between its economic and social outcomes. Through its interventions it contributes to an improved transparency and equity

in the labour market, while simultaneously addressing the economic needs of matching supply and demand.

In improving the functioning of the labour market, the PES will set national targets and outcomes which will benefit directly their jobseeker and employer customers. The labour market context within which each PES operates will influence the prioritization of targets.

However, the PES should strive to achieve the following:

- A significant role in influencing and contributing to the development of labour market policy through the provision and analysis of relevant labour market information and trends
- The appropriate implementation of labour market policies
- An improved transparency in the labour market e.g. increase in number and range of vacancies, CVs etc. to reflect customer and changing market needs and intense cooperation at EU level with a view to improving the quality and uniformity of job vacancy descriptions
- A decrease in unemployment
- A guaranteed intervention for young people to support their entry into the labour market
- A reduction in bottlenecks and mismatches in the labour market
- An increase in labour market participation rates and employment
- Helping the disadvantaged and the more marginalised jobseekers into the active labour market
- Partnership with other relevant organisations
- Continuous development of staff skills

### 3. Strategies to achieve Objectives

To meet future challenges and to achieve its objectives, the Public Employment Services will need to continue modernising its structures and service delivery – a process which began during the 1990s at the European level. The PES network has identified the following areas for development;

- **Customer focus.** The needs of our customers – both jobseekers (unemployed and job-changers) and employers – are clearly the starting point for the PES to develop its customised services. In future, PES will need to emphasise the needs of the labour market and demand led ways of working. This means strengthening proactive working methods such as labour market analysis – anticipating changes and developing closer working relationships with employers. Systematic and ongoing customer feedback should be an important part of this service development for both customer groups.
- **Early identification and intervention.** A key element of the PES service model should be a “strong start”. This means that assistance is freely and quickly available to all customers and that needs are identified and acted on as soon as possible. This allows PES to shorten unemployment spells, to fill vacancies speedily and efficiently and to provide high levels of customer service from the initial point of contact. To encourage jobseekers in their activities, an active “work first” approach should be adopted. Activation measures, including guidance, should be linked to receipt of unemployment benefit to help with active job search which will be facilitated by access to guidance, training and other appropriate supports within a framework of mutual engagement between PES and the jobseeker.

- **Modernising service delivery.** The PES service model should be based on the use of multi-channel service delivery. The effective and systematic use of call centres and internet based self service can help PES deliver professional, high quality and individually tailored services to employers, jobseekers and those customers who need more help. New business processes may need to be developed and integrated with current processes to ensure an effective seamless service delivery. An increase in self service facilities will allow staff resources to be assigned to more intensive support for those most disadvantaged job-seekers.
- **Partnerships and networking:** To meet changing customer needs, PES should work more effectively with other actors and service providers in the labour market. Our aim should be to collaborate with other organisations, e.g. Education, Social Welfare, Private Employment Agencies etc. for improved quality service to our customers. We will explore forms of co-operation and outsourcing of certain services for customers. An emphasis on complementing, rather than competing with others, will be expected increasingly by our stakeholders.
- With a view to the increasing interdependence of labour markets in the EU/EEA, the close cooperation between PES within the European PES network, and in particular their membership of the EURES network, is of growing strategical importance. We will actively seek to further promote the benefits of this co-operation.
- **Effectiveness and quality:** Meeting customer needs, managing resource pressures and working with increasing numbers of other service providers will make it necessary for PES to further develop our effectiveness and the quality of our service. Active labour market measures, services and customers' satisfaction should be assessed and evaluated regularly to ensure they meet the needs of our

customers as well as the broader labour market. Each PES should develop performance indicators linked to the PES strategy as outlined in the Mission Statement.

The development of PES staff and their competencies is critical to the delivery of a quality service to our customers. An ongoing skills/competency review of management and staff should be in place, with training and development responses implemented as appropriate. .

- **Transfer of Learning:** We should build on the existing strong foundation of international collaborations among PES. There is much we can learn from each other, particularly in the context of an expanded E.U. The challenge is to ensure there is a real transfer of learning from collaboration and networking.

Sources of potential learning include:

- HOPES network
- EURES network
- MISEP network
- Benchmarking
- Working Groups
- Peer Reviews
- Exchange of evaluation studies
- WAPES Thematic Days
- Staff exchange

