

# Managing Accountability and Flexibility in the Employment System (PES)

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# Outline

- What can be done better at the level of local labour markets?
- Why flexibility in policy management?
- How to provide sufficient flexibility while maintaining full accountability and meeting national policy goals?

# Key principles

1. Getting unemployed people into jobs and young people into education
2. Supporting employment progression for the low-skilled
3. Better utilising skills
4. Anticipation: gearing education and training to job openings
5. Good local governance

# A long-term focus area for LEED

High-level Venice  
conference, 1998

*Decentralising  
Employment  
Policy: New  
Trends and  
Challenges, 1999*

Warsaw  
conference, 2003

*Managing  
decentralisation: a  
new role for labour  
market policy,  
2004*

High-level Venice  
conference in  
2008

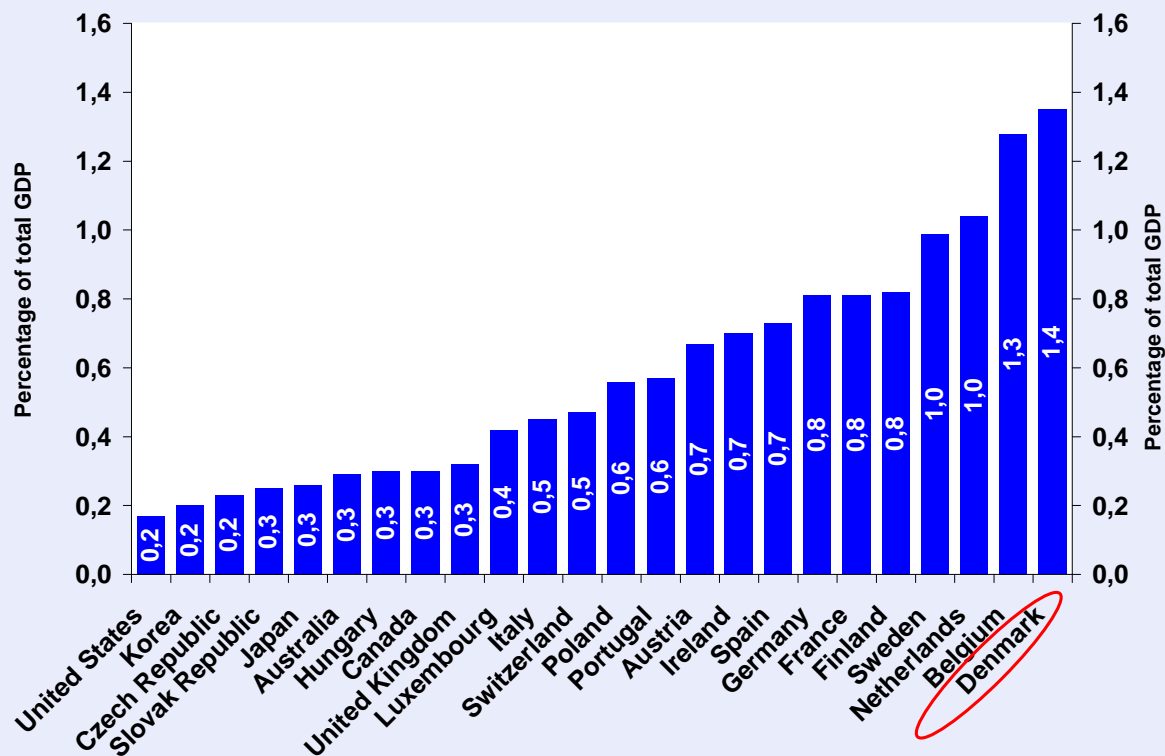
*Flexible Policy for  
more and better  
jobs, 2009*

High-level Aarhus  
conference, 2011

*Managing  
accountability &  
flexibility project*

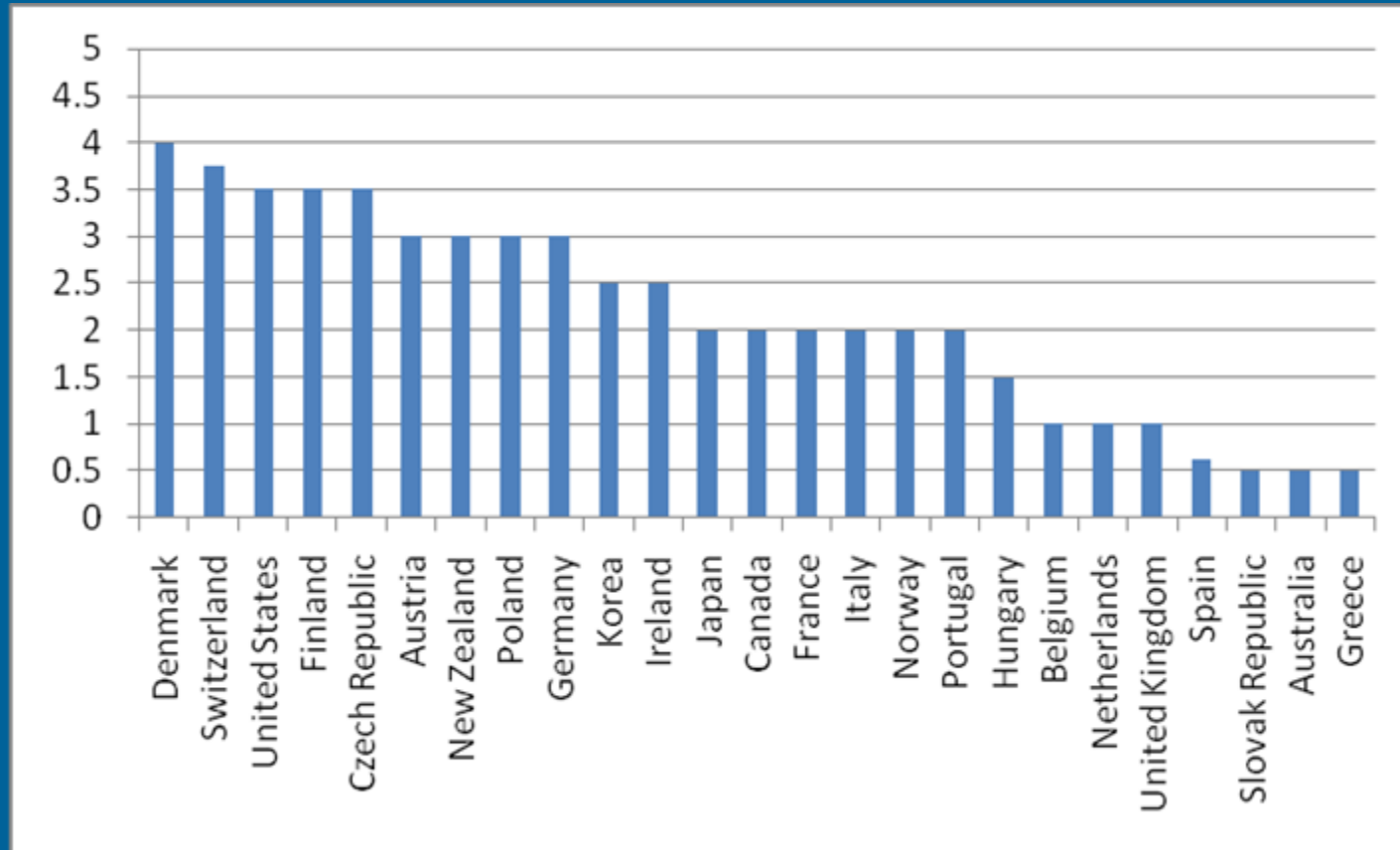
# Public expenditures

The percentage of total GDP used on active measures in Labour Market Programmes.



Source: [OECD](#). Active measures: Administration, job training, job creation, employment maintenance, recruitment incentives, start up incentives et al. 2008

# Flexibility in the management of labour market policy at local level



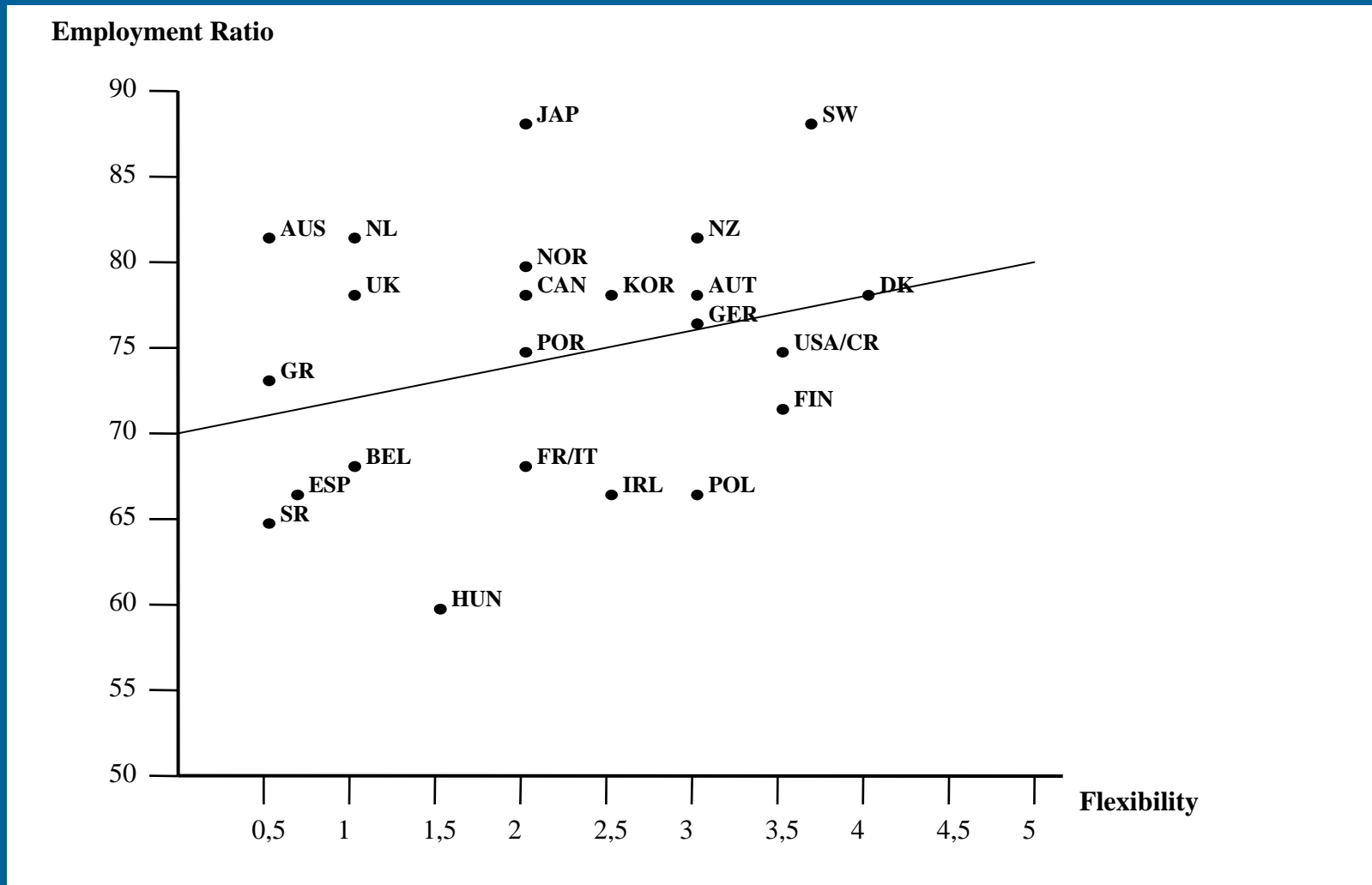
Source: "Managing Accountability and Flexibility in the Danish employment system – country report", May 2011

# Support for flexible approaches

- **Political:** 2008 *Venice Action Statement on Enhancing Flexibility in the Management of Labour Market Policy*, adopted by labour ministers and high-level country representatives
- **Statistical:** positive correlation with employment – a 1-point increase in the index (range: 0 to 5) is associated with a 2-point increase in employment rate

*Source: OECD, Flexible Policy for More and Better Jobs, 2009*

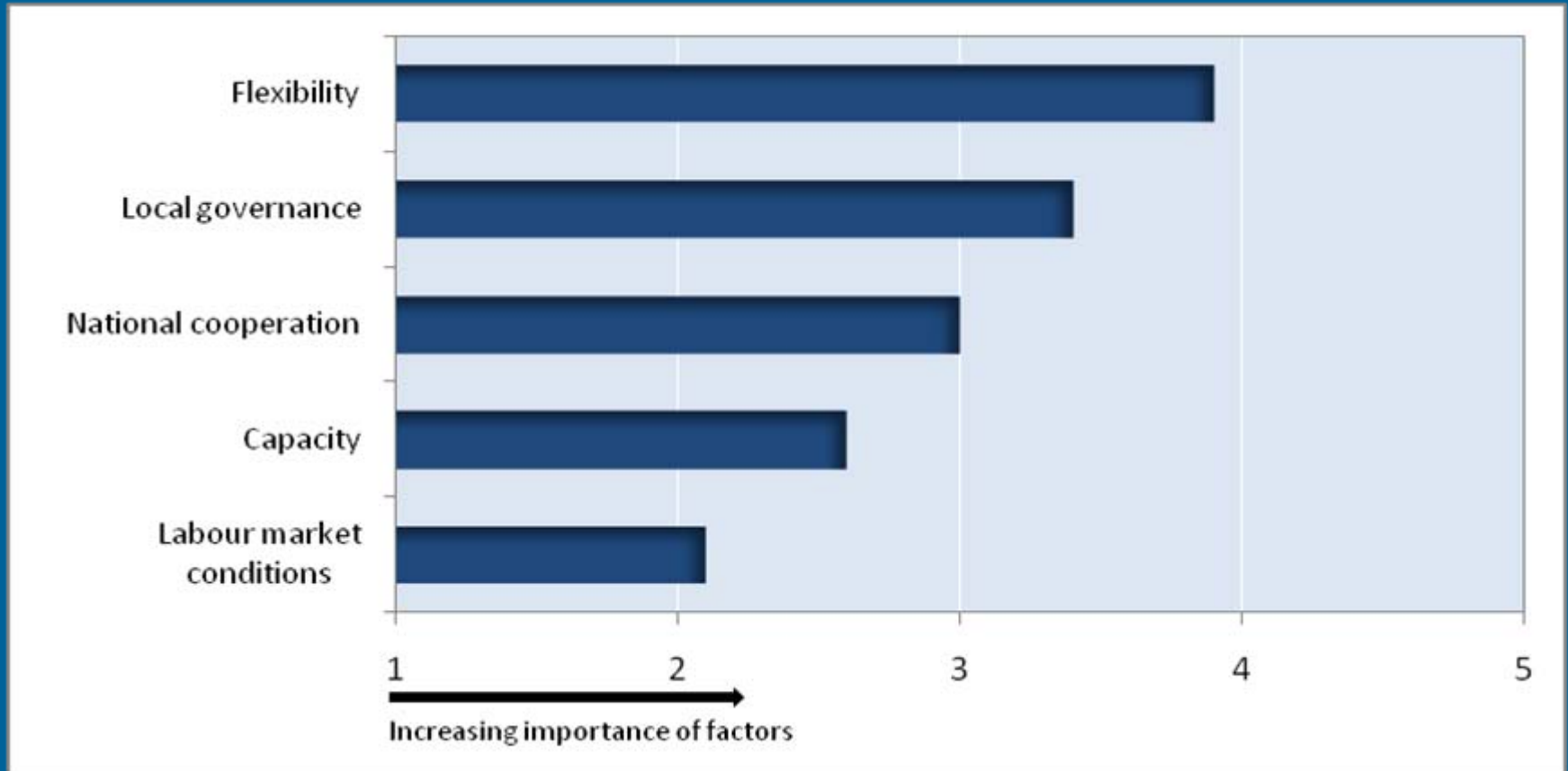
# Employment ratio and flexibility



Source: "Managing Accountability and Flexibility in the Danish employment system – country report" May 2011 and Employment/population ratio, OECD StatExtracts, August 2011



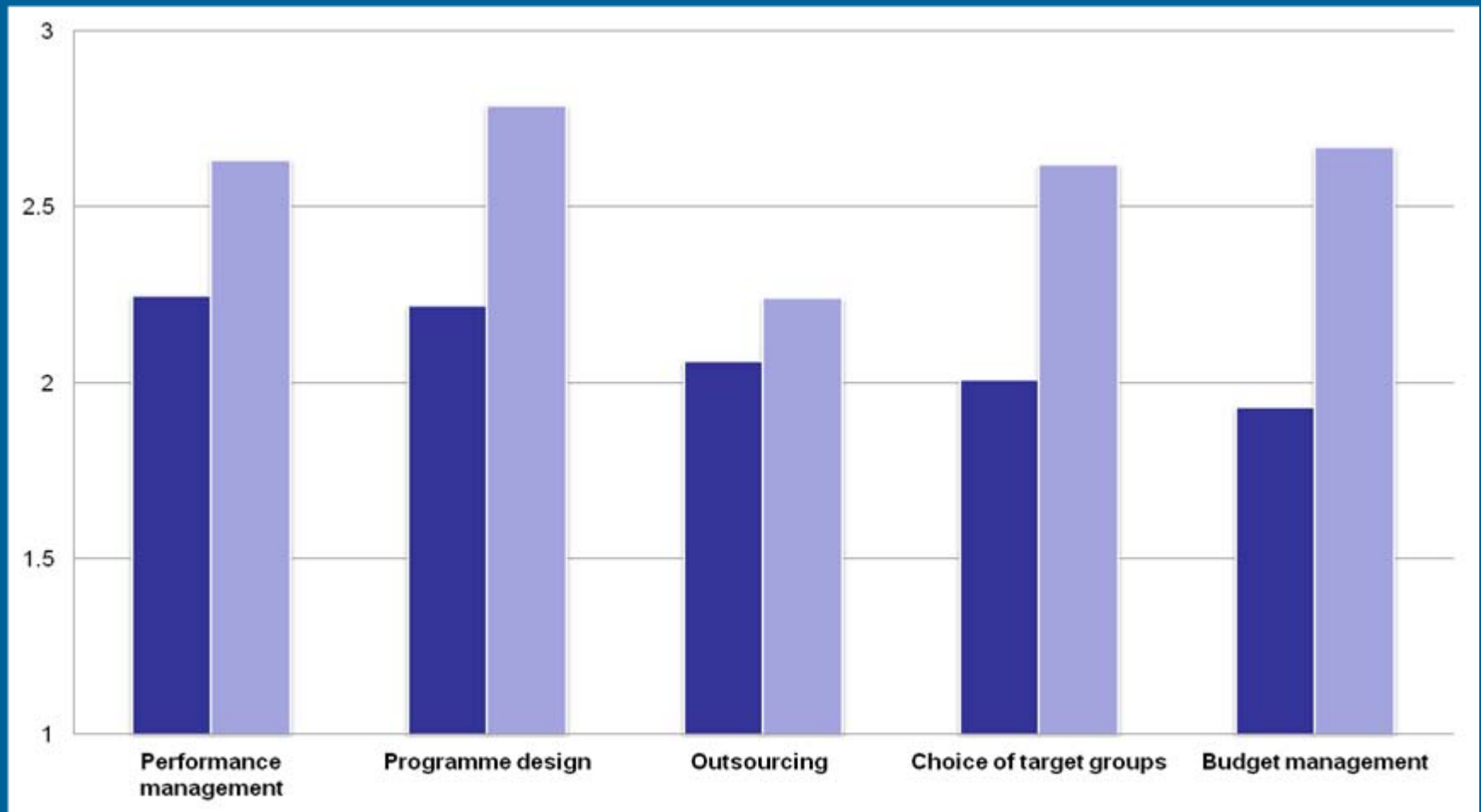
# Drivers of policy coordination



Source: OECD (2010), *Breaking Out of Policy Silos: Doing More with Less*

# Managing flexibility and accountability

1) Total perceived flexibility & 2) Priorities for increased flexibility by management area



# Injecting flexibility: good practices

**Performance management:** Broad qualitative targets (Alberta), local-national negotiations (Denmark)

**Budgets:** Amalgamation (in devolved contexts) (Netherlands)

**Eligibility criteria:** Special schemes for those that “fall through the cracks” (Canada)

**Developing platforms for collaboration** (Netherlands)

**Awarding flexibility incrementally:** Waivers (U.S.)

# Emergued issues from the discussions at the Aarhus Conference:

- Broad consensus on the pivotal role of the labour market policy for both economic development and social inclusion
- Effective labour market systems need to operate a multi-level governance approach with steering, leadership and partnership at all levels
- More flexibility has to be matched by greater responsibility. Local agencies need to pick up the costs

# Two approaches for increasing both flexibility and accountability can be considered

- Governments can broaden the performance management framework to encompass related policy areas
- Develop horizontal accountability on local level