



GOBIERNO
DE ESPAÑA

MINISTERIO
DE EMPLEO
Y SEGURIDAD SOCIAL

Employment policies reform in a decentralised context. The case of Spain.

*Mutual Learning Programme
Madrid, October 2015*





Decentralised context

Some facts on Spain:

- **Highly decentralized political system**
- **17 Autonomous Communities**
- **Extreme differences**
- **Complexity in their financing:**
 - *% Taxes; Redistribution funds...*
 - **Annual fund transfers (→ ALMP)**



Extension: 2nd EU
Population: 5th EU
Pc Income: 96% EU



▽ 40% in 3Y
(2011: 3.157 M€ ⇒ 2014: 1.236 M€)



Labour market reforms

Main objectives

- Enhance **labour market resilience** and **adaptation** to globalization and fast technological change.
- **Better PES functioning** to speed up return to labour market
- **Fight duality:** Easier permanent contract decisions, smoother transitions from school to professional life, limit excessive rotation.

Key elements

- **Global strategy of Labour Market reform:** Flexicurity. Protect workers, not jobs.
- **Focus on structural change**
- **Co-responsibility:** public administrations, workers, firms and social partners.
 - ↳ Co-design and consensus with regions in activation policies.
- **Transparent monitoring and result-oriented**



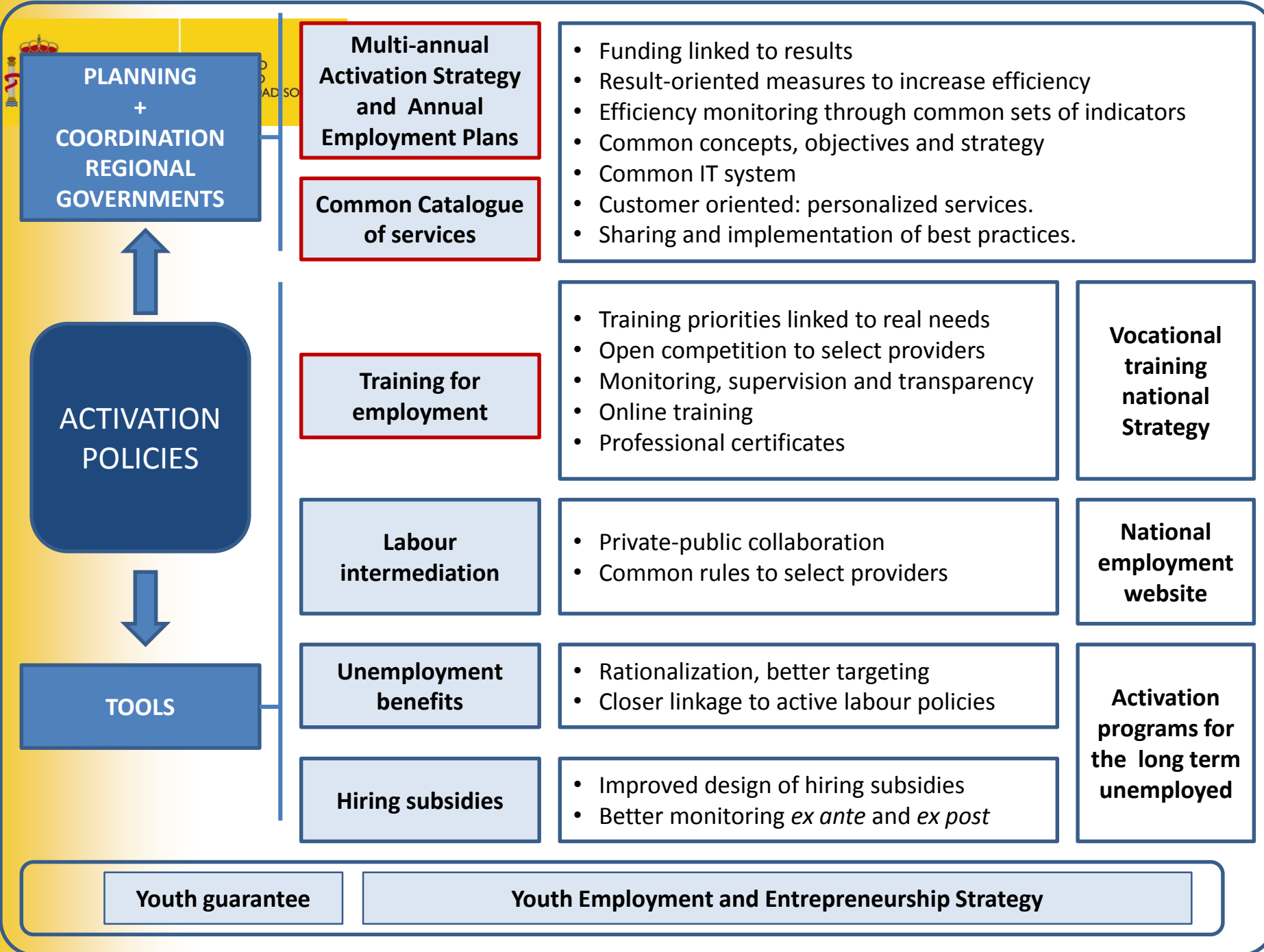
Activation policies

Main objectives

- React to **long term unemployment** produced by the protracted crisis.
- Adapt to a **more dynamic LM** with more flexible regulation.

Key elements

- **Personalized** services.
- Accelerate and improve quality of **matching**.
- New **skills** for workers: training.
- Strong **linkage active-passive** labor market policies.
- **Better designed** hiring subsidies.
- Special care: **young** unemployment.



**PLANNING
+
COORDINATION
REGIONAL
GOVERNMENTS**



**ACTIVATION
POLICIES**



TOOLS

**Multi-annual
Activation Strategy
and Annual
Employment Plans**

**Common Catalogue
of services**

**Training for
employment**

**Labour
intermediation**

**Unemployment
benefits**

Hiring subsidies

- Funding linked to results
- Result-oriented measures to increase efficiency
- Efficiency monitoring through common sets of indicators
- Common concepts, objectives and strategy
- Common IT system
- Customer oriented: personalized services.
- Sharing and implementation of best practices.

- Training priorities linked to real needs
- Open competition to select providers
- Monitoring, supervision and transparency
- Online training
- Professional certificates

**Vocational
training
national
Strategy**

- Private-public collaboration
- Common rules to select providers

**National
employment
website**

- Rationalization, better targeting
- Closer linkage to active labour policies

**Activation
programs for
the long term
unemployed**

- Improved design of hiring subsidies
- Better monitoring *ex ante* and *ex post*

Youth guarantee

Youth Employment and Entrepreneurship Strategy



Context of funding for regional PES

△ **Efficiency!**

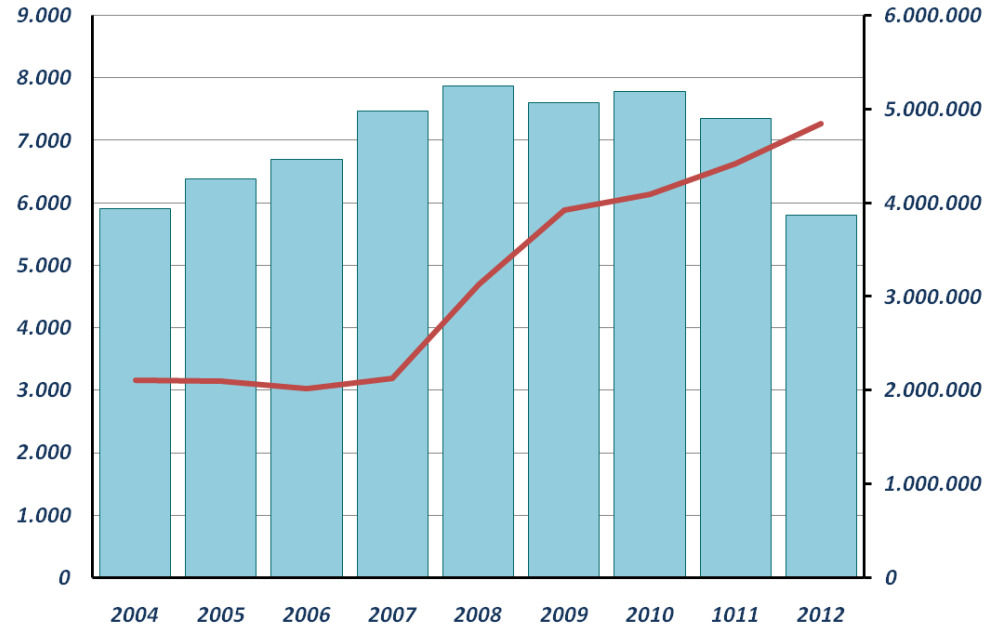
➤ **Central State:**

- **Legislation**
- **Funding**
- **Information**

➤ **Autonomous Communities**

- **Implementation**

SEPE Budget ALMPs (mill €) — Registered unemployment



We need to set up targets and incentives, while leaving Communities enough room to manoeuvre



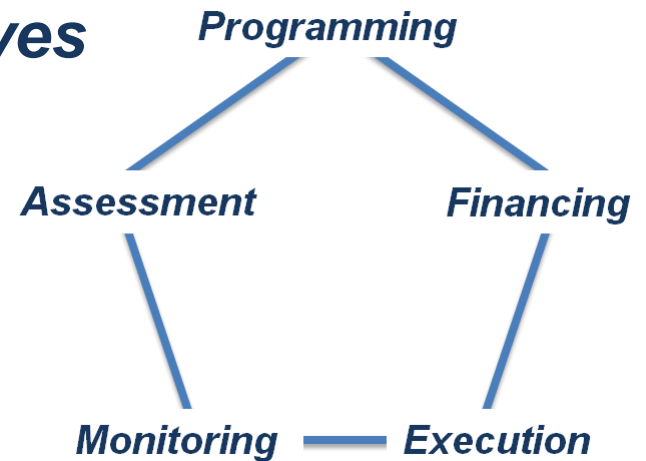
Consistent funding system for ALMPs

- *It has to be comprehensive & consistent*
- *Move from management to strategy*
- *Assess achievement of objectives*

- *Centralised design & implementation*
- *Programme-oriented*



- *Decentralised design/implementation*
- *Objective- and result-oriented*



From “how do we want to do?” to “what do we want to achieve?”



Consistent funding system for ALMPs

Distribution of funds by Sectoral Conference:

Funds are distributed every year:

- *Y1: Objectives (structural & strategic)*
- *Y2: Planning & Implementation*
- *Y3: Assessment -> Distribution of funds*



3Y cycle

In two packages:

- **Continuity** with funding of previous year.
- **Achievement of objectives by each Region.**

Steering, but leaving enough room for manoeuvre



Consistent funding system for ALMPs

Competitive approach:

- ***Improvements or new policies can't depend on more resources:***
 - ***Impossible when resources are restricted!***
 - ***Wrong incentives!***
- ***Prioritisation & outcome-based allocation of resources are key.***

“Nobody loses” ➡ “zero sum” game



Consistent funding system for ALMPs

Strategic & structural objectives reinforce each other

- 5 Strategic objectives
- 29 Structural objectives (in 6 Lines)

LINES		STRUCTURAL OBJECTIVES	STRATEGIC OBJECTIVES				
			A	B	C	D	E
Line 1 GUIDANCE	1.1	Information on labour market, measures and services offered by the PES.	X	X			X
	1.2	Individual diagnosis.	X	X		X	X
	1.3	Management of personalized individual pathways.	X	X		X	
	1.4	Job matching.	X	X		X	
	1.5	Relationship with companies and other labour market agents.	X	X			X

Improve the employability and start the implementation Programme of the Youth Guarantee in Spain.
 Favour the employability of other groups specially affected by unemployment (above 55+ / long term unemployed, participants in PRCP-ARAI).
 Improve the quality of training for employment.
 Strengthen the link between active and passive labour market policies.
 Drive entrepreneurship.



The road matters

Tools:

The screenshot shows an Excel spreadsheet with the following structure:

- INDICADORES** (Indicators): A table with columns for 'Indicador', 'Código', 'Valor', 'Umbral', 'Mínimo sin normalizar', and 'Máximo sin normalizar'. It lists various indicators like A.1, B.1, C.1, etc., with their respective values and thresholds.
- Objetivos Estratégicos** (Strategic Objectives): A table with columns for 'Objetivo', 'Código', 'Valor', 'Umbral', 'Mínimo sin normalizar', and 'Máximo sin normalizar'. It lists objectives like 1.1, 1.2, 1.3, etc., with their respective values and thresholds.
- Eje 1** (Axis 1): A table with columns for 'Eje', 'Código', 'Valor', 'Umbral', 'Mínimo sin normalizar', and 'Máximo sin normalizar'. It lists indicators like 1.1.1, 1.1.2, 1.1.3, etc., with their respective values and thresholds.
- Eje 2** (Axis 2): A table with columns for 'Eje', 'Código', 'Valor', 'Umbral', 'Mínimo sin normalizar', and 'Máximo sin normalizar'. It lists indicators like 2.1, 2.2, 2.3, etc., with their respective values and thresholds.

The screenshot shows a forum page titled 'espacio de trabajo · foro'. It contains the following content:

- Inicio »** (Home)
- (+) Mostrar texto de la aportación** (userAdmin)
- 1 2 3 .. Siguiente Último** (Navigation)
- CAT/SOC (N. TUSET) - 25/09/2015 - 13:16**: A post by userAdmin with the text: "Hola, Adjutnamos observaciones al indicador C. Gracias [Documento anexo](#)".
- CAT/SOC (N. TUSET) - 21/09/2015 - 14:57**: A post with the text: "Hola, buenas tardes, Hemos detectado algún error en el nuevo DDI, que quisiéramos comentar a continuación: Sobre las variables o datos básicos: - En la página 28, variable 0045 elementos en 2015: se indica 2.4.1. pero no se especifica que es el b. - En la página 36, variables 4026 y 4027: no se indica el cambio en la redacción de las variables que, por contra, sí se indica en la descripción de los componentes C.1.a y C.1.b, respectivamente. - En la página 42, variable 6039, elementos en 2015: indica 6.3.2.a y tiene que ser 6.3.2.b. Variable 6043, elementos en 2015: indica A.2.b y tiene que ser A.2.c. (continua)".
- CAT/SOC (N. TUSET) - 21/09/2015 - 14:57**: A post with the text: "(viene del anterior) Sobre la definición detallada de indicadores: - Fórmula normalizada del eje 1 (página 81): en el numerador se ha dejado por error, la expresión "X1=". - Componente 2.6.2 (página 128): o Elemento 2.6.2.b: numeración de la variable incorrecta (es la 4031 y no la 4030). o Elemento 2.6.2.c: numeración de la variable incorrecta (es la 4030 y no la 4031). - Indicador 2.7. (página 130): no se indica ninguna fórmula ni rango. Saludos."
- CAN/SCE (MJ. SANTANA) - 18/09/2015 - 11:32**: A post with the text: "Tomando en consideración lo estipulado en el Acuerdo Marco entre el SEPE y las agencias privadas de colocación, contenido éste que define al colectivo PREPARA como colectivo cuyo tratamiento va a ser de".



Foster trust & ownership:

- 1. Participation, transparency & consensus***
- 2. Clear strategy from the beginning***
- 3. Full support: Policy-Management-Technical***
- 4. Don't scare!***
- 5. No backward moves & don't stop***
- 6. Test & tune → soundness***
- 7. Trial & error should be expected***



Common catalogue of PES services

CONTEXT

- New step in modernization of Activation policies.
- **Completes previous reforms in coordination framework and planning** (Multi-annual Activation Strategy and Annual Employment Plans).

OBJECTIVES

- Guaranty of jobseekers rights and Public Employment Services commitments.
- Common framework to ensure equal access to PES services and facilitate monitoring.
- Basis for the development of a new information system to monitor results and evaluate employment policies.

CONSENSUS

Regulation of the Common Catalogue was drafted in close cooperation with the regions. In the Sectorial Conference there is coordination for its development.



Content of the common catalogue

PRINCIPLES

- Access free and equal at national level.
- Oriented to results; transparency and efficiency.
- Personalised attention.
- Interoperability of services and information.

EMPLOYMENT SERVICES

- **Orientation: based on the users' profile and an individualised pathway into employment** including orientation on market trends.
- **Placement services and counselling to employers:** intermediation and matching.
- **Training** and accreditation of informal skills.
- **Orientation for self-employment and entrepreneurship.**



Development of the common catalogue

SERVICES' PROTOCOLS

- A **specific protocol** will be defined for each activity of the four services with the common requirements for service delivery.
- Each protocol includes the necessary **parameters** to ensure identification, measurement and effective monitoring of the activities, as well as the users' mobility within national territory.
- The content of the activities included in the Common Catalogue, together with the protocols and quality criteria for services' delivery, will be developed by the Ministry of Employment in collaboration with Regional Governments.



Development of the common catalogue

PROGRESS WITH THE DEVELOPMENT

- Four **Working Groups** were created, one for each Service with participation of regional authorities.
- A **basic common methodology** was agreed for the working groups.
- High level of involvement of **regional governments**: responsible for the coordination of each Service group and participating in the whole process.
- Agreement on a **Technical Document**, basis for the development of *the Common Catalogue*.

NEXT STEPS

- Presentation of the Technical Document to the participating body or the National Employment System.
- Technical Document then to become a Ministerial Order (regulation).
- Preliminary work for the inclusion of protocols into Information System for Employment Public Services (SISPE).
- Design of shared instruments to facilitate protocols implementation.



Content of the common catalogue

PRACTICAL EXAMPLES

How does the
Catalogue work in
practice?

Using a common language to ensure services of similar quality and to monitor results in comparable terms:

- Orientation. Differentiating an individual interview from a group orientation activity.
- Individualized services. Differentiating regular mentoring from providing standardised information
- Training. Differentiating procedures for the inscription of training providers in the case of professional certificates or online training.
- Entrepreneurship. Differentiating cooperative groups for senior entrepreneurs from more basic orientation on legal procedures to start-up.

Using commonly agreed concepts allows for systematic information systems to monitor and evaluate PES activities in employment policies.



Reform of the training for employment

- **Ambitious reform**
- **Based on consensus:** ample backing in Parliament and significant contributions from social partners.
- **Gradual approach;** full implementation in 2015.
- **Key aspects:**
 - ✓ Common framework (regions).
 - ✓ Strategic multiannual planning.
 - ✓ Enhanced information systems.
 - ✓ Permanent evaluation.
 - ✓ Training at the firm: central role, maximum flexibility.
 - ✓ New Governance structures: essential role of social partners in the design, needs' identification, priority setting.
 - ✓ Efficiency in public funds management.



Key messages

Reform of employment policies in a decentralized context requires:

- A **balanced approach** ensuring **ownership** by subnational levels.
- Sequence and **consistency** of reforms.
- Open and transparent **cooperation** to build trust.
- Moving slow to set solid ground for long term objectives.