



# Assessment Report on PES Capacity

2017

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2017



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# **Assessment Report on PES Capacity**

2017



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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014<sup>1</sup>. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

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<sup>1</sup> DECISION No. 573/2014/EU

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## Headline messages

### The European PES Network: monitoring capacity in a changing context

The 2017 assessment report on PES capacity provides an overview of the main trends in the development of PES, linked to aspects of PES capacity and the client services they offer. This report is based on information received from 32 PES in July and August 2017. They include the EU 28 (with the three regional PES in Belgium), Iceland and Norway. This report and the complementary volume on PES implementation of the Youth Guarantee (YG) together provide an information base to support the work of the European PES Network. In addition, an ad hoc report on the quality and the quality assurance of Active Labour Market Policies (ALMPs) was prepared in 2017. The main findings of this report 2017 are summarised below.

### A developing labour market

The number of job-seeking clients registered with PES in the EU steadily decreased over the past three years, continuing the trend noted in last year's report and reflecting the decreasing unemployment rate for the EU 28. The overall number of job-seeking clients went from 23.1 million in April 2014 to 19.3 million on the same day in 2017, a 15.8% decrease<sup>2</sup>. The decrease has been a pattern for a few years. The trend was not universal, however, while 23 PES saw an actual decrease, five PES still recorded increasing numbers of job-seeking clients.

The average monthly inflow of vacancies notified to PES in the EU amounted to 1,052,892 in 2016<sup>3</sup>. This number increased after 2013, as would be expected from the way the general EU job vacancy rate developed during that period. However, between 2015 and 2016 the number notified to PES only increased by 3.8%. This is a lower figure than for the previous two periods. The overall increase for 2013/2014 was 6.7%, and for 2014/2015 it was 9.8%.

### Gradual ageing of PES client base

One of the key factors determining the implementation of PES services is the profile of the job-seeking clients. Data is available on the developments for three specific target groups for 28 PES (young people under 25) or 27 PES (long-term unemployed and older workers).

Last year's report showed that the long-term unemployed - especially young people - profited from the economic recovery, and figures for 2016 and 2017 confirmed these findings. This means that PES saw a gradually decreasing share of young people in their job-seeking clients (9% lower than in 2015). There was, however, a small 3% increase in the long-term unemployed. Most notably, EU PES have an ageing client base, visible in a 14.2% increase in the share of older workers between 2015 and 2017.

Young people now constitute 10.5% of the people the PES help to find their way (back) to the labour market. The older unemployed now form 29.7% of the PES job-seeking clients.

### Long-term unemployed and clients with disabilities continue to require support

The long-term unemployed remain the largest client group, their share amounting to 43.0%. Overlaps between this category and the other categories (young people and older workers) should be noted.

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<sup>2</sup> This information was available for 28 PES.

<sup>3</sup> This information was available for 28 PES.

This year's report also presents data on clients with disabilities from the 17 PES which provided this information. Together they registered some 1.3 million clients with disabilities in 2017. The share of clients with disabilities in these PES amounts to 7.4%. Even taking into account the limited number of PES for which this data is available, the relative size of the group remains clear.

### General spending and ALMP expenditure continued to increase in many PES

Total PES expenditure, excluding benefit payments, has steadily increased since 2011<sup>4</sup>. During the entire 2011-2016 period, expenditure went up from €14.4 billion in 2011 to €18.3 billion in 2016, an increase of 27%. Despite this overall increase since 2011, the number of PES with increasing budgets after 2012 again went down, while the number of PES reporting decreasing budgets therefore increased. Since the financial figures do not include benefit payments, these changes reflect either general expenditure or expenditure on ALMPs. General expenditure includes staff administering benefits, so part of the decrease might be related to the decreasing numbers of job-seeking clients.

The share of total expenditure (excluding benefits) spent on ALMPs remained stable in the early years of this decade. However, by 2016 it had increased to 53%, four percentage points higher than in 2010. In 10 PES, the ALMP share of total expenditure without benefits increased between 2010 and 2016, while in nine PES it went down.

### Staff numbers are declining...

Collectively, total staff numbers are somewhat below the 2014 level. Over the past three years, the number of FTE (full-time equivalent) staff in PES decreased by 1.8%. In numerical terms the number of FTE posts went down from 215,442 in 2014 to 211,568 in 2016).<sup>5</sup>

### ... while signs of change appear

In the last reporting period, this decrease, however, was either small or almost negligible. The number of FTE posts decreased by 0.2% between April 2016 and April 2017, compared to a 0.7% decrease during the year before<sup>6</sup>. Another sign of a possibly 'hesitantly reversing' trend is the fact that no less than 18 PES saw their staff increase during the last year. The overall 0.2% decline in 2016 was caused by the fact that the 10 PES with decreasing staff numbers include large PES such as Spain and the United Kingdom. The German PES, also large, saw its staff increase over the entire period, but by only a negligible 0.4%.

The outlook for 2017 is positive, with 21 PES expecting increasing staff numbers and only one PES (DE) foreseeing a fall in numbers.

### PES are adapting their staff deployment to the changing environment

Changes related to the deployment of staff took place in 17 PES during the last two years. In 2016 changes took place in 12 PES, and in 2017 this occurred in 15 PES. Changes were related to the introduction of new types of services, new or expanded services for specific groups, and reorganisations. Part of the envisaged changes are dependent on the approval of co-financing for projects from EU funding sources such as the ESF.

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<sup>4</sup> In the 19 PES where this information is available

<sup>5</sup> Excluding Ireland, Italy, Norway, and Poland where not enough data was available,

<sup>6</sup> Information on total staff numbers is available for 28 PES.

### Teams specialising in tailored approaches for target groups gain more support

The number of PES that provide tailored services to employers using specialist staff has steadily increased since 2014, reaching almost two thirds of the PES. Most of these PES also increased the number of staff dedicated to this target group last year.

### Innovation in ALMPs continues

21 PES reported the introduction of new ALMPs in 2016, and 17 PES reported amendments to existing ALMPs to better respond to their labour market conditions. On average, this concerned 2.9 new ALMPs and 2.6 amended ALMPs for every PES that made changes. Only six PES recorded no changes in ALMPs.

Most changes were directed at youth. Clients with disabilities were more visible than in 2015, with nine measures introduced for them in five PES last year. 53% of the new measures that PES introduced were employment incentives. 23% concerned the provision of training.

### Training and employment remain key measures for specific target groups

Training and employment incentives remain the type of measure most often used for all target groups. Overall, PES use a larger variety of measures for young people and the long-term unemployed than they do for older workers and people with disabilities. The exceptions to the second observation are in supported employment and rehabilitation. Together with training and employment incentives, rehabilitation is a key part of the PES offer to clients with disabilities.

### Targets also set for refugees

Most PES set targets for their performance in assisting job-seekers to enter the labour market. 21 PES set targets for clients in general. Specific targets are set for young people (21 PES) and the long-term unemployed (17 PES). Around 40% of PES, where data is available, set targets for older workers and people with disabilities. A small number of PES set targets for women (3 PES) and employers (5 PES). The recent refugee crisis has led eight PES to set refugee-related targets..

All the 21 PES that set general targets include output targets, 13 PES set results targets, and six PES set targets for customer satisfaction.

## 1. Introduction

### 1.1 The European PES network and its benchlearning activities

In May 2014, the Council and the European Parliament published a Decision<sup>7</sup> that led to the creation of the European Network of Public Employment Services (PES) in June of that year. This formalised the longstanding cooperation between PES in Europe, going back to 1998. The network comprises 32 EU/EEA PES organisations (comprising 27 national PES, the three separate services in Belgium and one each from Iceland and Norway). Within this network, a number of working groups have been established to pursue different themes of interest to the Heads of Public Employment Services (HoPES). One of these themes is Benchlearning.

Benchlearning refers to a process that involves a systematic integrated approach linking performance measurement, or benchmarking, with mutual learning (see Decision No. 573/2014/EU). Since 2015, the network has been engaged in an ongoing series of intensive peer reviews of PES strategy and organisational setup. In addition, the network undertakes cohesive joint monitoring to obtain insights into the relationship between the efforts PES make, the context in which they operate, and their performance.

One of the unique features of this process is the attention given to organisational factors, drivers and practices that are intended or likely to influence performance. These 'performance enablers' are analysed with the help of the Plan-Do-Check-Act cycle, to arrive at a thorough understanding of the role that PES capacity plays firstly in improving the functioning of labour markets and secondly in striving to achieve the Europe 2020 objectives.

### 1.2 This report

This report provides an overview and analysis of the main trends in the development of PES, linked to various aspects of PES capacity and the services PES offer their clients. This report, and the complementary volume on PES implementation of the Youth Guarantee (YG), provides an information base to support the work of the European Network of PES.

The present paper is the third annual report published on PES capacity. The report is principally based on 32 questionnaires received from European PES in July and August 2017. They include the EU 28 (distinguishing between the three regional PES in Belgium), Iceland and Norway. The report also makes use of the data collected in the two previous years, as well as those obtained during the general annual PES Benchlearning data collection. In 2017, these data collection processes were further streamlined to facilitate this process for PES, and to achieve better country comparison using PES data.

In countries with strongly decentralised structures, the national PES supplied as much information as they were able to. This was the case in both Italy and Spain, for example, where they have a highly regionalised setup, and also in countries where much of the PES activities are delivered through local authorities, such as in Denmark and the Netherlands. For these countries, the amount of national level information they have been able to provide is limited.

The report begins by providing the setting in which PES operate (Chapter 2). Chapter 3 examines the resources PES have, and the ways in which their resources are deployed and how the PES organise their work. The final chapter (4) concentrates on the services offered to clients by the PES, in particular the Active Labour Market Policies (ALMPs) they use.

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<sup>7</sup> 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)

## 2. Developments in supply and demand

### 2.1 Job-seeking clients

#### 2.1.1 Introduction

PES provide job services to all job-seekers who ask for PES assistance, regardless of their labour market status. They can be active or inactive when contacting the PES. This means that PES deal not simply with people who lost their jobs or who have completed their education, but also with employed people who would like to find another job, students, retired people, the disabled, refugees and so on.

This section focuses on unemployed job-seekers, registered at the PES. The data were provided by PES as part of their answers to the PES Capacity Questionnaire. To distinguish the definition used in this survey from those in other sources<sup>8</sup>, the term 'job-seeking clients' was introduced. Job-seeking clients are defined as: persons who are registered with the PES, who are available for the labour market (i.e. persons who are not permanently ill or who are not considered "unable to work"), who are not working (neither part-time nor full time) and who either are, or should be, actively looking for a job. The data presented in this section refers to 30th April each year, unless indicated otherwise.

#### 2.1.2 Numbers of job-seeking clients

Since the second quarter of 2013, the EU 28 unemployment rate for the has started to decrease. The EU 28 unemployment rate was 7.4% in October 2017, compared to 8.3% in October 2016. In number terms, between October 2016 and October 2017 unemployment fell from 20.3 million to 18.2 million, i.e. by 11%.<sup>9</sup>

The number of job-seeking clients registered with PES in the EU has also steadily decreased over the past three years. This confirms the turning point in unemployment development figures signalled in the previous report.

The number of job-seeking clients went from 23.1 million by the end of April 2014 to 19.3 million the same day in 2017<sup>10</sup>. This constitutes a 16.2% decrease. Over recent years, this decrease in job-seeking has grown every year.

The actual decrease occurred in 23 PES. There were still five PES with increasing numbers of job-seeking clients registered at their office over this four-year period (AT, EL, FI, FR, and NL).

**Table 1 Developments in the number of job-seeking clients, 2014-2017**

	2014-2015	2015-2016	2016-2017	2014-2017
Number of PES with increasing numbers	7	5	5	5
Number of PES with decreasing numbers	21	23	23	23
Average % change	-5.2%	-5.7 %	-6.2%	-16.2%

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data or insufficient data were available for HU, IT, LT, and NO.

Note: Job-seeking clients are people who are registered with the PES, who are available for the labour market (i.e. persons who are not permanently ill or who are not considered "unable to work"), who are not working

<sup>8</sup> E.g. the definition of registered unemployed used in the annual PES BL data collection; persons who are registered with the PES, who are available for the labour market and who are, or should be, looking for a job, but excluding those on any active labour market measure, i.e. people participating in activities belonging to LMP database categories 2-7, or those in LMP database category 9. For each year the annual average of stock of registered unemployed at the end of each month of that year is taken.

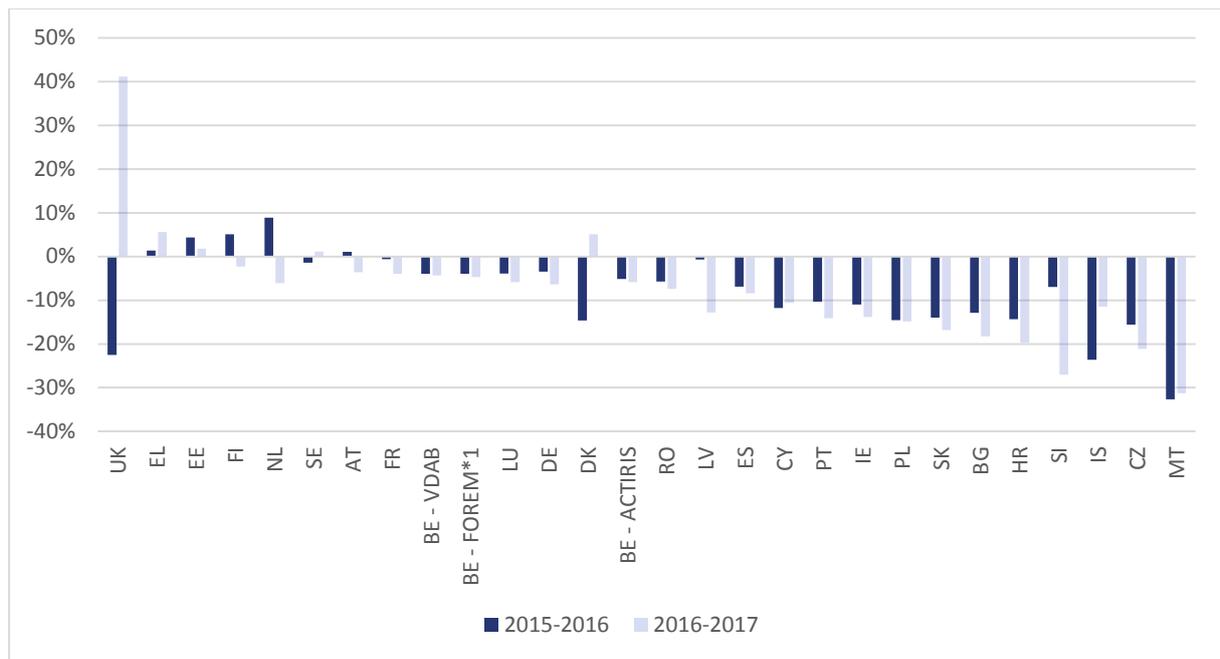
<sup>9</sup> [ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics)

<sup>10</sup> In the 28 PES for which these data are known.

(neither part nor full-time) and who are, or who should be, actively looking for a job. It does not matter if these persons are considered as unemployed or not according to national legislation. Exceptions: - ALMP participants in BE-LE FOREM were not included in the data. Cyprus included job-seekers willing and able to work in a full time employment (code1), those willing to take up only part time employment (code 4), and job-seekers who face health or other problems and are interested in job posts that are easier and 'not so demanding' (Code 5), and those only interested in jobs near the area of residence or village (Code 6). French data included Category A Metropolitan job-seekers, i.e. job-seekers without a job that are obliged to prove that they are actively seeking work. Polish data include registered unemployed and other job-seekers. For Slovenia, data on registered unemployed was used. The UK data refers to benefit claimants (Job Seeker Allowance).  
 Note: The figures refer to the reference date of 30th April, except for Germany (12th April), Ireland (the last Friday of the month until 2016, and last Thursday of the month after 2016), Poland (30th March), and Slovakia (31st March).

The fall in the number of job-seeking clients since 2015 was highest in Malta, with a 31.3% drop between 2016 and 2017, and 32.6% the year before. The highest increase during this period was in the United Kingdom, where a decrease of 22.5% from 2015 to 2016 was washed away by an increase of 41.1% last year. As the United Kingdom data use benefit recipients as their basis, it is possible that this exceptional development is related to changes in this regulation. Denmark and Sweden went from decreasing to increasing numbers of job-seeking clients during this period. Finland and the Netherlands were confronted with the opposite movement, seeing a trend of rising job-seeking clients turn around in the last year. Greece and Estonia are the only countries where the number of job-seeking clients still saw increases in both years.

**Figure 1 Percentage change in number of job-seeking clients, 2015-2016 and 2016-2017, ordered by change in entire 2015-2017 period**



Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data or insufficient data were available for HU, IT, LT, and NO.

Note: Job-seeking clients are people who are registered with the PES, who are available for the labour market (i.e. persons who are not permanently ill or who are not considered "unable to work"), who are not working (neither part nor full-time) and who are, or should be, actively looking for a job. It does not matter if these persons are considered as unemployed or not according to national legislation. For exceptions: see footnotes under table 1.

Note: Figures refer to the reference date 30th April of each year, except for Germany (middle of the month), Ireland (last Friday of the month until 2016, and last Thursday of the month from 2016) and Poland (30th March).

### 2.1.3 Job-seeking clients' profiles

One of the key factors determining the implementation of PES services is the profile of job-seeking clients and how it impacts upon PES's capacity to respond to their clients' specific needs. Data are available on the development of three specific targets groups for

28 PES in the case of young people under 25, and 27 PES in the case of long-term unemployed and in the case of older workers.

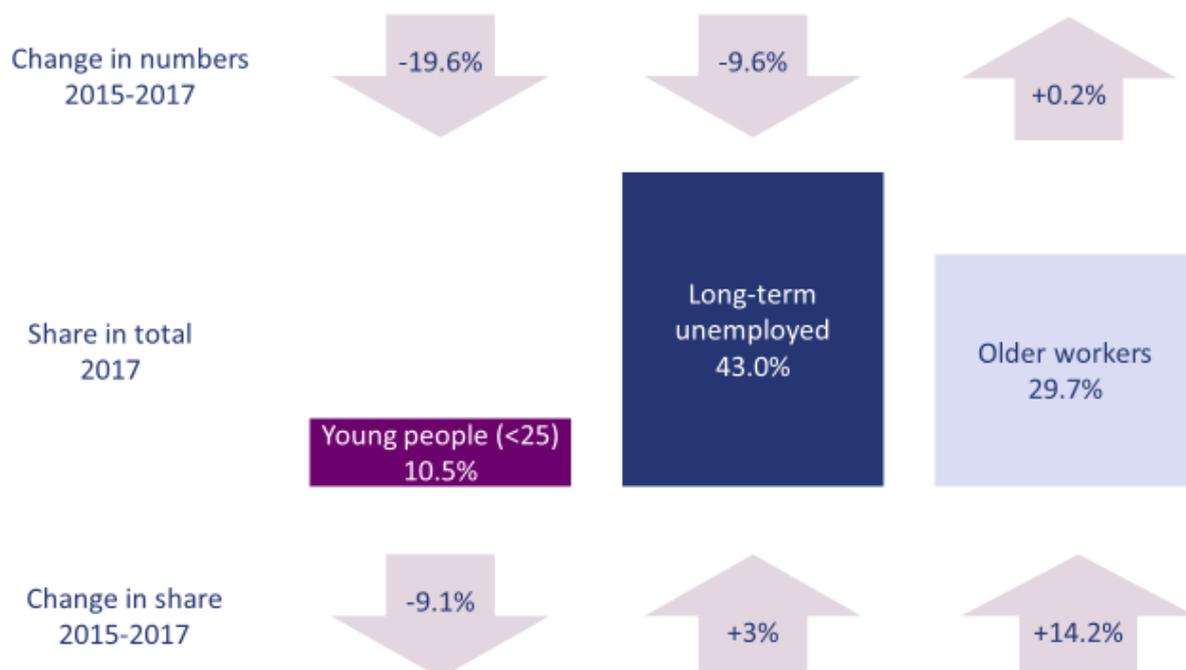
The previous report showed that the long-term unemployed, and young people especially, have profited from the economic recovery. The recent figures confirm these findings. This means that the job-seeking client population of PES saw a gradually decreasing share of young people. The share of long-term unemployed, however, nevertheless still showed a small increase. The most marked finding is that EU PES experience an ageing client base, i.e. a marked increase in the share of older workers between 2015 and 2017.

Figure 2 shows that young people now constitute 10.5% of the group PES assist in finding their way (back) to the labour market. The number of job-seeking clients under 25 decreased by 19.6% the past two years, from some 2.5 million in 2015 to slightly over two million in 2017 (by 19.6%). As a result, their share amongst the PES job-seeking clients fell by some 9%. This happened in most PES. Only six PES saw the share of young unemployed remain the same or increase between 2015 and 2017: VDAB in Belgium, Cyprus, the Czech Republic, Germany, Lithuania and Malta.

The number of long-term unemployed on the PES registry also decreased since 2015 by some 845,000, or 9.6%. This did not, however, match the overall decrease in job-seeking clients and as a result their share of the PES population increased by 3%. This trend was by no means uniform amongst PES. 15 PES experienced an increase, and 12 PES experienced a decrease between 2015 and 2017.

The number of older workers increased by some 10,000 to almost 5.5 million from 2015 to 2016, or 0.2%. The share of unemployed older workers amongst PES job-seeking clients went from 26% in 2015 to almost 30% in 2017, a substantial 14.2% increase. It is not known to what extent long-term unemployment overlaps with the two other categories. The higher the overlap, the more impact the increasing shares of difficult-to-place clients will have on the PES workload. As with the drop in young people, most PES experienced this trend. The exceptions were five PES: VDAB in Belgium, Cyprus, Denmark, Finland and Latvia.

**Figure 2 Share of specific groups in the total number of job-seeking clients in 2017 and % change in numbers and shares from 2015-2017**



Source: Responses to PES Capacity questionnaire 2017.

*Note: No data or insufficient data for HU, IT, LT, and NO. In addition, no or insufficient data from the UK for long-term unemployed and from EL for older workers.*

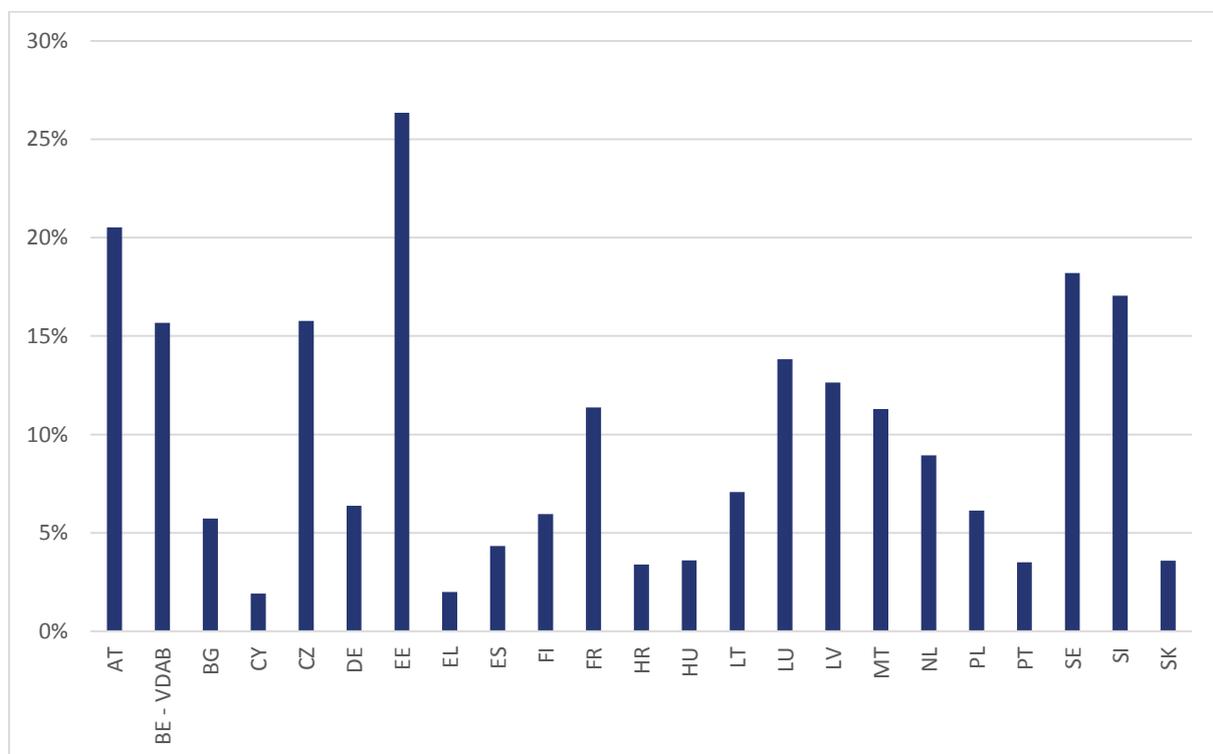
*Note: See footnotes on job-seeking clients below figure 1. In addition, for HR data on specific groups relate to registered unemployed.*

*Note: People may belong to more than one category: long-term unemployed young people or older long-term unemployed.*

This year, for the first time, this report presents systematically collected data on people with disabilities. Seventeen PES were able to provide data on this group amongst their clients. Together they have 1.3 million clients with disabilities in 2017. The share of clients with disabilities in these PES amounts to 7.4%. Even if we take into account the smaller number of PES for which we have these data, the relative size of this phenomenon is illustrated by this group.

The highest shares are found in Estonia, followed by Austria, Sweden and Iceland, while Cyprus and Greece have the lowest shares.

**Figure 3 Share of job-seeking clients with disabilities in 2017**



Source: Responses to PES Capacity questionnaire 2017.

Note: No data or insufficient data for BE-ACTIRIS, BE-LE FOREM, DK, IE, IS, IT, NO, RO, and the UK.

## 2.2 Job vacancies

The EU 28 job vacancy rate has gone up since 2013, reaching 1.8% in 2016.<sup>11</sup> During this period the number of vacancies notified to PES also increased.

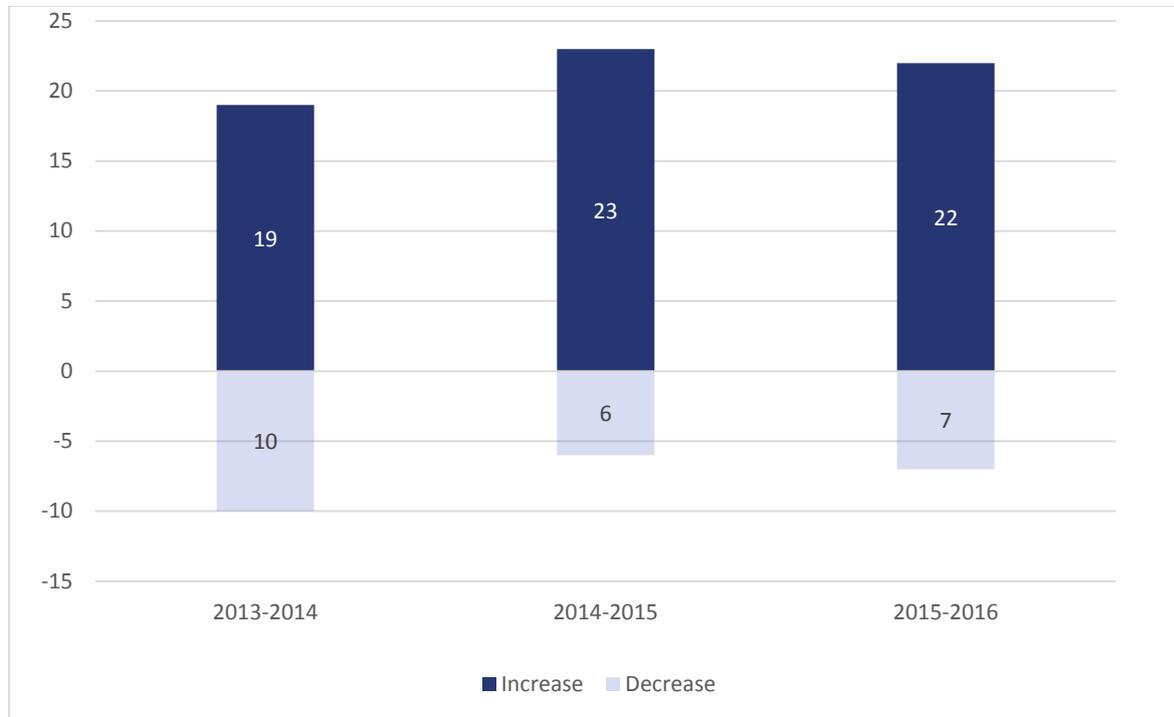
Information is available for 28 PES on the annual average monthly inflow of job vacancies notified to them. For these 28 PES, the total average monthly inflow amounted to 1,052,892 in 2016.

The total number of vacancies notified to these PES had increased by only 3.8% (38,995 vacancies) between 2015 and 2016, compared to 6.7% (90,592) for 2013/2014 and 9.8% (58,195) for 2014/2015. Overall, between 2013 and 2016 the average monthly inflow of job vacancies received by PES amounted to 169,571, an increase of 19.6%. The number of PES with increasing vacancies did not change much since 2014. However, this

<sup>11</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Job\\_vacancy\\_trends](http://ec.europa.eu/eurostat/statistics-explained/index.php/Job_vacancy_trends)

development seems to have lost its momentum and it became much less pronounced in several PES.

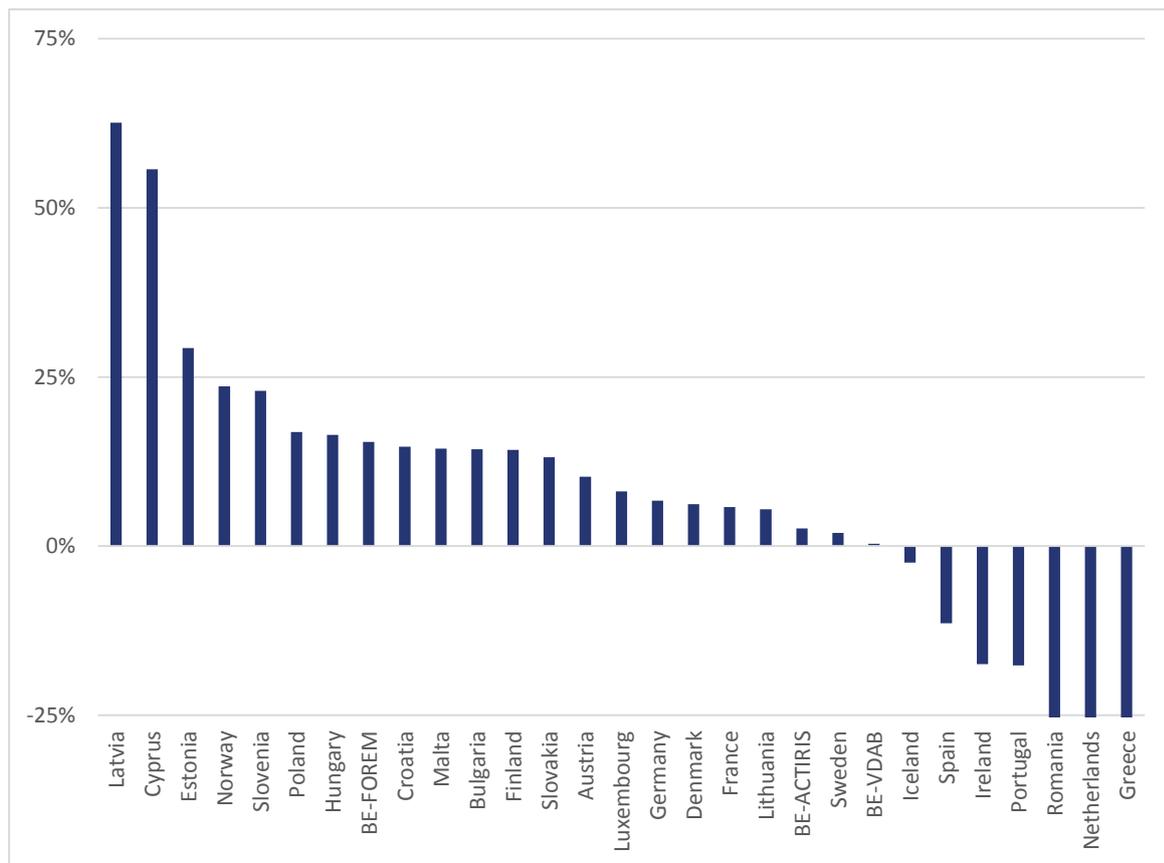
**Figure 4 Number of PES experiencing an increase/decrease in the number of vacancies notified, % increase in annual average of monthly inflow, 2013-2016**



Source: PES data provided via PES data collection for the Benchlearning project, 2017.  
 Note: The numbers refer to the annual average of the number of vacancies notified each month.  
 Note: No data or insufficient data were available for CZ, IT, NL, and UK.

In most PES, the number of vacancies notified to the PES increased in 2016 compared to the year before. Five PES (BE-VDAB, BG, CY, EE, and HU) even went from a decreasing trend in 2014-2015 to an increasing one between 2015 and 2016. Only seven PES (EL, ES, IE, IS, NL, PT, and RO) had fewer vacancies notified by employers in 2016 than in 2015. From the PES with fewer notified vacancies in 2016 than 2015, all but one had seen a positive development the year before. Iceland was the one exception, as it had a continuing negative trend during this period.

**Figure 5 Percentage change reported in the number of new vacancies notified to the PES in the period 2015-2016**



Source: PES data provided via PES data collection for the Benchlearning project, 2017.  
 Note: The numbers refer to the annual average of the number of vacancies notified each month.  
 Note: No data or insufficient data were available for the CZ, IT, and the UK.

No less than 12 PES reported developments that might be interpreted as signs of a deteriorating demand for labour<sup>12</sup>.

While other PES still saw their inflow rates increasing<sup>13</sup>, in France and Germany the 2015 to 2016 increase was similar to the previous time period.

Eight other PES (BE-ACTIRIS, HR, DK, LT, LU, MT, SK and SE) however saw lower increases than before, or even decreases. In Slovakia, the average number of new vacancies went from 90.8% between 2016 and 2015 to 13.2% last year. The Swedish PES received on average 2% more vacancies in 2016 than 2015, while in the previous period the vacancy inflow had increased by 36%.

In other PES (EL, IE, PT, RO and ES), the vacancy inflow last year showed a negative change. The most extreme examples are Greece (from 43.1% to minus 78.7%), Ireland (from 42.3% to minus 17.5%), and Romania (from 4.5% to minus 33.2%).

Whether or not this marks a real trend breach remains to be seen in coming years.

<sup>12</sup> This information is additional to the information in the chart above.

<sup>13</sup> In Iceland the decrease between 2015 and 2016 was only *slightly* stronger than the year before.

### 3. PES internal resources

#### 3.1 PES financing and annual expenditure

In general, the two main sources of finance for PES are government budgets, as well as social security contributions in the case of PES that are responsible for the administration of benefits. In addition, the ESF constitutes another common source of funding, though it varies in importance between countries and is usually used for financing ALMPs.

Responsibilities for benefits depend on the national arrangements for such systems. A majority of the PES are responsible for administering unemployment or other benefits. Only about one third of the PES are not responsible for the administration of benefits.

To ensure comparability across PES, the financial comparisons in this section do not include expenditures on unemployment and other benefits.

**Table 2 PES responsibilities with regard to for benefits**

Responsibilities	PES	Number
PES with no tasks regarding benefit payment	BE-ACTIRIS, BE-LE FOREM, BE-VDAB, BG, CY, FI, IT, MT, NL, PT, SE	11
PES responsible for unemployment and other benefits	AT, CZ, DE, DK, EE, EL, ES, FR, HR, HU, IE, IS, LU, NO, PL, RO, SI, UK	18
PES only administering other benefits	LT, LV, SK	3

Source: PES Capacity Questionnaire Country Factsheets and additional information supplemented by individual PES.

Notes:

SE: The SE PES is not responsible for benefit payments, but these posts are included in their budget and paid to the institutions like the unemployment insurance funds and the Swedish Social Insurance Agency.

NL: The Dutch PES (UWV Werkbedrijf) is part the larger UWV organisation that amongst others administers income replacement benefits for unemployed and people with disabilities.

DK: The Danish PES includes the Danish Agency for Labour Market and Recruitment (STAR), 94 municipalities (jobcentres), the separate unemployment insurance funds (A-kasser) etc. Municipalities are responsible for the payment of social benefit/case benefit and other benefits. The separate unemployment insurance funds are responsible for the payment of unemployment benefits if you are a member of an unemployment insurance funds unemployment.

LT: As of 2013 the LT PES has no longer been responsible for unemployment benefits, only for a number of other benefits.

Total expenditure excluding benefit payments steadily increased since 2011<sup>14</sup>. Over the entire period 2011-2016 total expenditure without benefit payments in these PES went from 14.4 billion Euro in 2011 to 18.3 billion in 2016, an increase of 27%.

**Table 3 Development of expenditure without benefit payments (% annual change)**

Years	%
2010-2011	-0.6
2011-2012	3.2
2012-2013	7.6
2013-2014	4.7
2014-2015	5.0
2015-2016	4.5
<b>2011-2016</b>	<b>27.4</b>

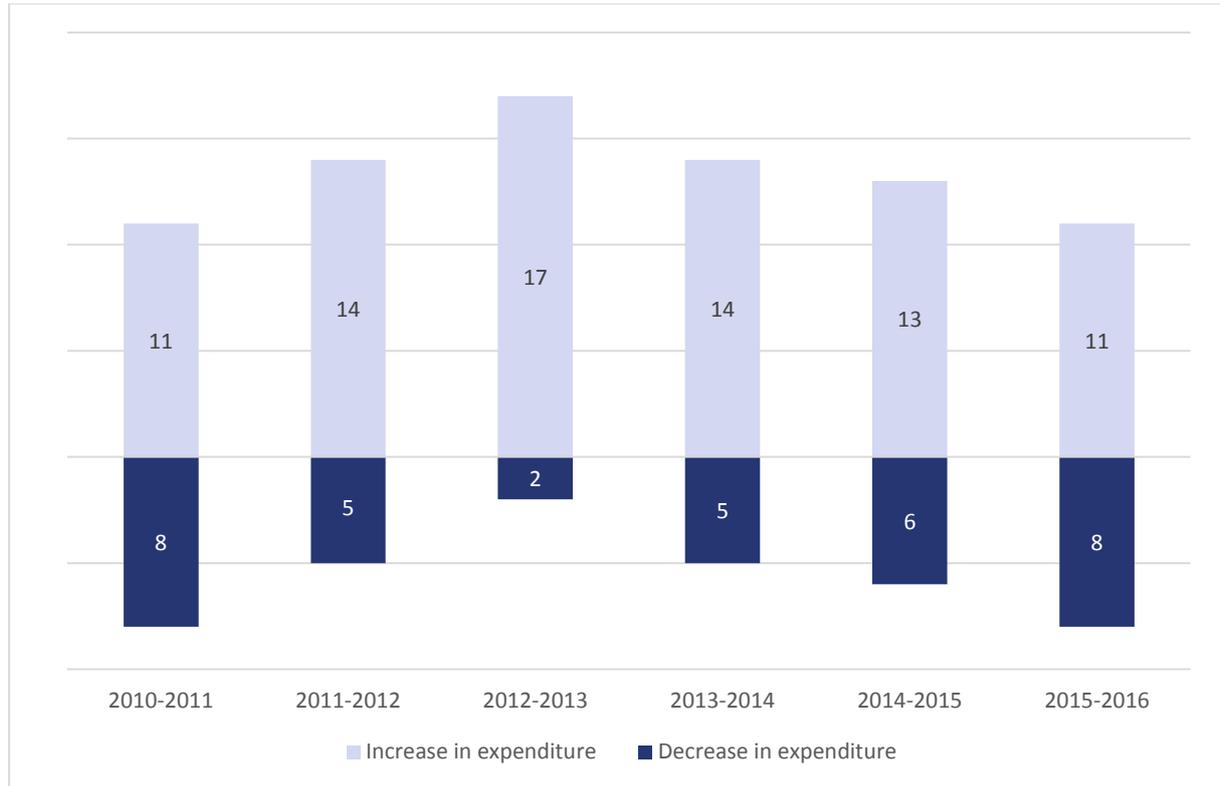
Source: PES data provided via PES data collection for the Benchmarking project, 2017.

<sup>14</sup> In the 19 PES for which this information is available.

Note: For thirteen PES no data or insufficient information was available: CY, DE, EL, ES, FI, HU, IT, NL, NO, PL, RO, SK, UK.

In spite of the increase overall since 2011, the number of PES with increasing budgets has gone down since 2012, while the number of PES reporting decreasing budgets has again increased. Since the financial figures do not include benefit payments, the increase either reflects general expenditure or expenditure on ALMPs. General expenditure includes staff administering unemployment or other benefits, so part of the decrease may be related to decreasing numbers of job-seeking clients.

**Figure 6 Number of PES reporting changes in total expenditure excluding benefits paid, 2010-2016**



Source: PES data provided via PES data collection for the Benchlearning project, 2017.

Note: No data or insufficient information on total EXP or benefit expenditure: CY, DE, EL, ES, FI, HU, IT, NL, NO, PL, RO, SK and the UK.

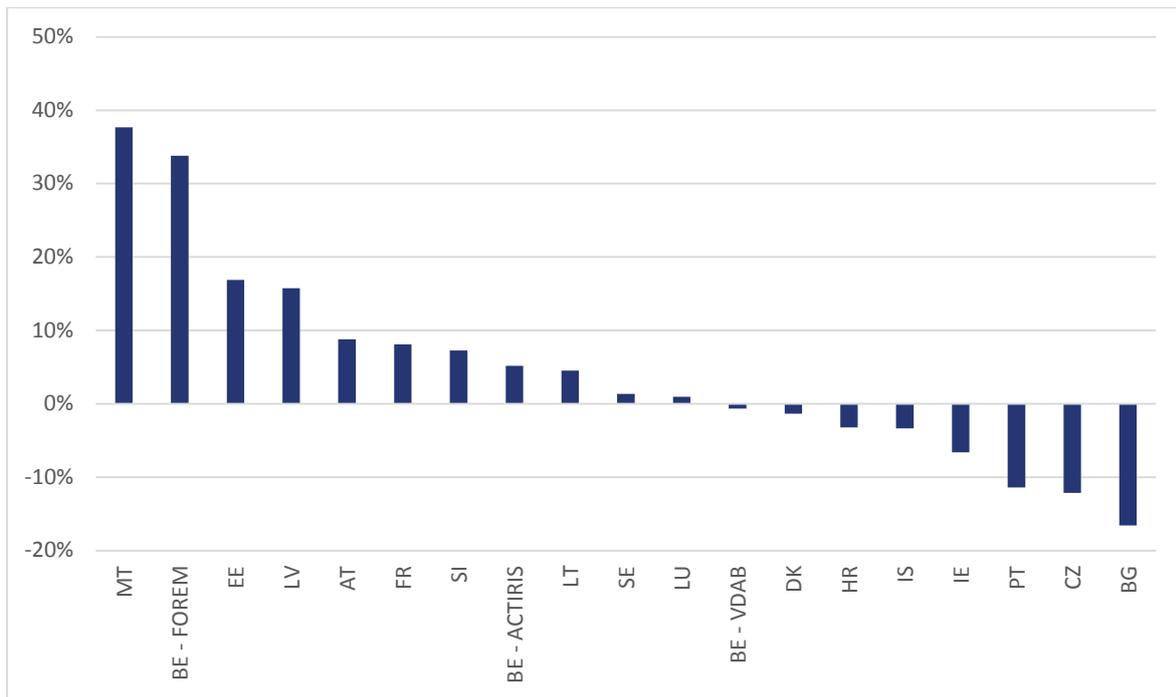
Notes:

DK: Danish financial data include those for the Agency for Labour Market and Recruitment (STAR), the 94 municipalities (jobcentres) together with the separate unemployment insurance funds.

SE: The Swedish PES is not responsible for the payment of benefits, but these posts are included in their budget, to be paid to the institutions that pay out these benefits to individuals. Swedish unemployment benefit is paid by the unemployment insurance funds, while activity support and introduction benefit are paid by the Swedish Social Insurance Agency.

For some PES, the downturn in their expenditure had already started, notably Bulgaria and Iceland (2014/2015), and Portugal (2015/2016). In others (e.g. BE-VDAB, CZ, HR and IE) it started last year. In spite of the general trend, five PES (BE-LE FOREM, EE, LV, MT and SI) saw their expenditure going from decreasing to increasing relative to either 2014 or 2015. Last year, the highest percentage increase compared to 2015 occurred for the PES in Malta and Le Forem in Belgium. Comparatively high decreases were seen in the Czech Republic and the Bulgarian PES.

**Figure 7 Percentage change in PES expenditure, excluding unemployment benefits, 2015-2016**



Source: PES data provided via PES data collection for the Benchlearning project, 2017.

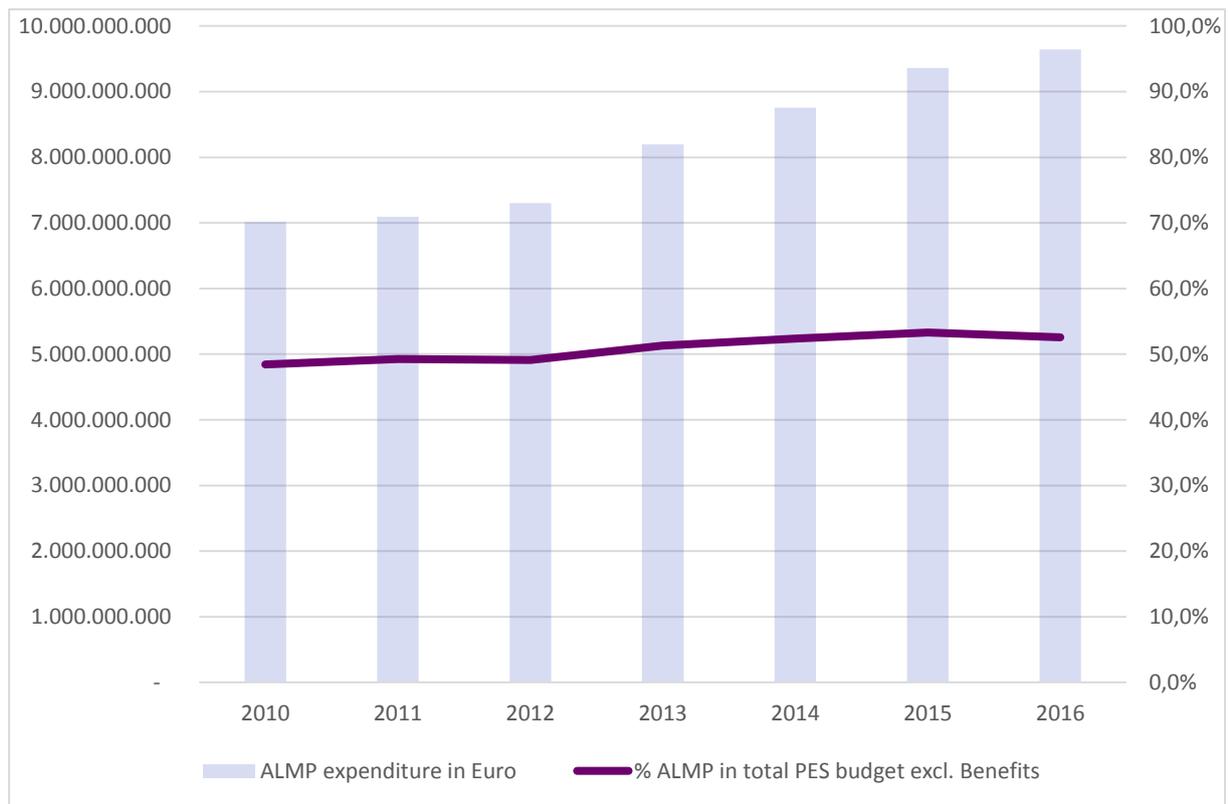
Note: No information or insufficient information on total expenditure or benefit expenditure: CY, DE, EL, ES, FI, HU, IT, NL, NO, PL, RO, SK, UK.

Overall, PES increased their expenditure on ALMPs by 37.4% since 2010<sup>15</sup>. It went from €7.1 billion in 2010 to €9.6 billion in 2016.

While the ALMP share of total expenditure (excluding benefits) remained stable in the early years of this decade, by 2016 it had increased to 53%, four percentage points higher than in 2010.

<sup>15</sup> For nineteen PES this information is available.

**Figure 8 PES expenditure on ALMPs and as share of total expenditure (benefit spending not included), 2010-2016**



Source: PES data provided via PES data collection for the Benchlearning project, 2017.

Note: No data or insufficient information for CY, DE, EL, ES, FI, HU, IT, NL, NO, PL, RO, SK, UK.

The figures in the chart include 10 PES where the ALMP share of total expenditure (excluding benefits) increased between 2010 and 2016, while in nine PES it went down. In the Maltese and Croatian PES these shares increased the most, while Estonia and Iceland experienced the strongest decrease of the ALMP share of total budget spending.

### 3.2 Human resources

#### 3.2.1 Total staff numbers and development between 2014 and 2016

Information on total staff numbers is available for 28 European PES. Collectively, the total staff is somewhat below the 2014 level. Over the past three years, the number of staff Full-Time Equivalent (FTE)<sup>16</sup> posts in PES decreased by 1.8%. The number of FTE posts (excluding IE, IT, NO, and PL where not enough data was available) decreased from 215,442 in 2014 to 211,568 in 2016.

However, the latest decrease was smaller than in the previous reporting period. The number of FTE posts decreased by 0.2% from 212,048 to 211,568 between April 2016 and April 2017, compared to a 0.7% decrease the year before.

Another sign of a perhaps hesitantly reversing trend is the fact that no less than 18 PES saw their numbers of staff increase during the last year. The overall 0.2% decline in 2016 was caused by the fact that the 10 PES with decreasing staff numbers include large PES such as Spain and the United Kingdom. The German PES, also large, saw its staff increasing over the entire period, but by only 0.4%.

<sup>16</sup> Full-time equivalent is a unit of account used to express the size of an employment contract or workforce. It is calculated as the ratio of the total number of paid hours during a period (part time, full time, contracted) by the number of working hours in that period Mondays through Fridays.

These aggregate figures mask different experiences among the individual PES. In fact, only seven PES saw their staff numbers decreasing over the entire period (CY, EL, ES, FR, LT, NL, and the UK). For the other PES, the number of FTE either did not change or it increased between April 2014 and April 2017. In addition, the number of PES with year on year staff increases increased in 2015, 2016 and 2017. The opposite occurred with the number of PES that had to work with lower staff numbers than the year before.

**Figure 9 Number of PES experiencing increase or decrease in staff (in FTE) between 2014 and 2017 (on 30 April)**



Source: Responses to PES Capacity Report questionnaire 2017.

Note: Based on 28 PES, no data or incomplete data for IE, IT, NO, and PL.

Note: All data refer to 30th April unless indicated otherwise below.

Notes:

BE-Actiris: FTE are given here as paid posts (i.e. someone who is ill for more than one month and who is paid by the "mutuelle" is not be counted here).

BE-LE FOREM: The PES is responsible for Employment and Training - some staff belong to DG Formation (21.5% of total staff in FTE).

CY: Data includes staff at district and local labour offices plus PES staff at the headquarters (Department of Labour).

DE: Figures include only BA staff and external staff within the Social Code III. Those working with the Social Code Book II (minimum income benefit) are not included.

DK: The figures include the staff at The Danish Agency for Labour Market and Recruitment. There are no validated data about the local staff in the municipalities.

ES: Data as of 30th March 2017 Figures refer to national level staff only (comunidades level not included).

FI: Data refer to 31st March 2017.

FR: The data for 2017 do not include headquarters and IT staff, nor managers and function support staff. Headquarters and IT Staff represent around 2,500 FTE and were included in the data for previous year.

IS: Total number of Directorate of Labour/Vinnumálastofnun staff in all divisions and occupations, staff at the Maternity and Paternity Leave fund and the Housing Benefits fund are also included.

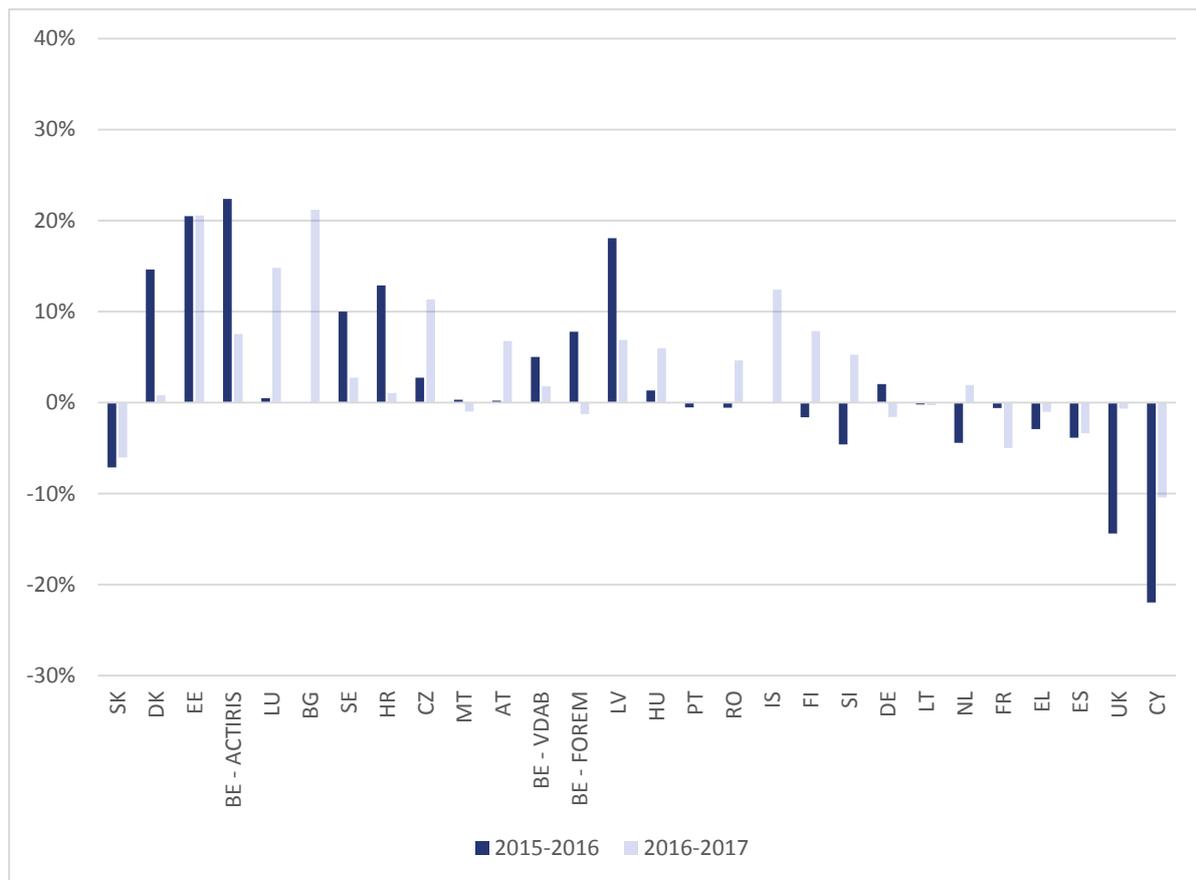
LU: For 2014 and 2015, the annual average of total PES staff. The date for 2016 is 29th February.

SK: As of 2015, PES and SS institute were merged and 2,116 'personal agents' were introduced, dealing with social security and labour market complex issues for individuals and families.

UK: Relates to Work Services Directorate Staff on 31st March 2017.

In many PES, staff development from 2016 to 2017 went in the opposite direction from the year before, showing increasing numbers in the case of decreases (or very small increases) in the previous year, and vice versa. A 'compensation' trend could be inferred from these numbers. Exceptions include four PES with subsequent strong increases (EE), small decreases (ES and LT) and virtually no changes (PT) in these two periods.

**Figure 10 Percentage change in number of staff, 2015-2016 and 2016-2017, ordered by change in the 2014-2017 period (on 30 April)**



Source: Responses to PES Capacity Report questionnaire 2017.  
 Note: Based on 28 PES, insufficient data available for IE, IT, NO, and PL.  
 Note: See also footnotes under figure 9 above.

The outlook for 2017 is positive, with 18 PES expecting only increasing staff numbers and only one PES (DE) foreseeing a fall in numbers. The German PES foresees both an increase and a decrease this year. The increase is meant to compensate for the more time-consuming assistance and counselling for people from different cultural backgrounds. The medium term budget planning foresees cancellations of posts in unemployment insurance, basic income support for job-seekers and in the Family Allowance Office, accounting for the decrease.

**Table 4 Expectations regarding staff numbers in 2017**

	PES
Increase expected	AT, BE-ACTIRIS, BE-FOREM, BE-VDAB, CY, CZ, EE, EL, ES, FI, HR, IS, IT, PT, SE, SI, SK, UK (18)
Increase as well as decrease expected	DE (1)
Increase and no information on decrease available	LU, SE (2)
Neither increase nor decrease expected	BG, DK, HU, IE, LT, MT, NL, PL (8)

Source: Responses to PES Capacity Report questionnaire 2017.  
 No information available for FR, LV, and NO.

Staff increases in 2017 sometimes built on those of 2016, but more often followed on staff stabilisation or even decreases the year before.

Several concrete plans were already in place in the first quarter of 2017. In the Belgian Le Forem, recruitment was already ongoing when this study was launched. In Greece, the hiring of 360 new staff members was foreseen. The Cyprus PES planned to hire 30 temporary employment officers and 30 temporary labour officers. The German Federal Employment Agency had already increased their staff by about 2.500 employees (FTE) in 2016. This year another 300 new posts and 200 temporary employments are foreseen in unemployment insurance. After staff reductions of 214 people in 2016, as well as restrictions in the use of temporary staff, in April 2017 the Spanish PES was authorised to appoint temporary staff categories again as temporary substitution of existing staff and for coverage of excess workload for a maximum period of six months. In Finland the PES saw their staff decrease by 134 FTE in 2016. For 2017, however, there was a temporary increase in staff of around 200 FTE to cope with an increase in the number of job-seeker interviews held by the PES at three-monthly intervals, based on the government programme. The examples however show though that new posts in various cases are temporary, so it remains to be seen whether the recent and current staff increases will have a lasting impact on the staff resources.

The staff changes were driven or motivated by various developments.

Several PES indicated that they needed more staff to cope with different or growing services for **specific target groups**, notably refugees and people with disabilities. The main group in this respect are immigrants and refugees. The Austrian, Luxembourg and Slovenian PES were charged with additional tasks or developed new services for immigrants, for example in Slovenia this included issuing work permits to third country nationals. The Belgian VDAB already added 35 FTE specialised counsellors to strengthen the competences of refugees in 2016. Sweden increased PES staff by 400 in 2016 and 250 in 2017 for their work with newly arrived immigrants. The German PES expanded their staff numbers to ensure professional counselling as well as the quick placing of asylum seekers/refugees in employment or in apprenticeships in 2016. In 2017, additional human resources are foreseen to compensate for the time-consuming assistance and counselling for people from different cultural backgrounds in Germany. Four PES are increasing their efforts to assist people with disabilities. In Estonia this re-focusing was the consequence of what was called the work ability reform. This reform was started in 2016 and aimed to change attitudes towards people with reduced work ability and to help them find and keep a job. Other PES where staff increases were related to services for handicapped and people with disabilities are Hungary, Iceland and Luxembourg.

The introduction of **new employment services** is another important explanation for staff increases. The Austrian PES, amongst others, needed more staff because unemployment is increasing. In Portugal, annual reviews of staff inflow and outflow on the one hand, and the expected needs on the other hand, resulted in slight increases in the number of workers in 2016 and in 2017. The PES in Cyprus will this year hire 30 temporary employment officers for a period of 24 months, because they are severely understaffed and need assistance to deal with the Youth Action Plan, including the implementation of the YG. PES across Europe have staff increases - to deal with new unemployment prevention measures (EE), a joint plan for the strengthening of ALMPs (IT), and the implementation of the personalised counselling and the reinforcement of employer services (LU, 2016). The Iceland PES became responsible for housing benefits in 2016 and hired new staff for its implementation, and in the United Kingdom the introduction of the Universal Credit full service led to staff increases in 2016 and 2017. The new service entailed the offer of more personalised service and an increase in disability employment advisers.

A third factor behind staff increases are specific **projects** that come with additional funding, typically from the EU, such as ESF projects. This is the case for the Czech

Republic, Hungarian, Romanian and the Slovak PES. In these cases, additional staff will only be hired if and when such projects are approved.

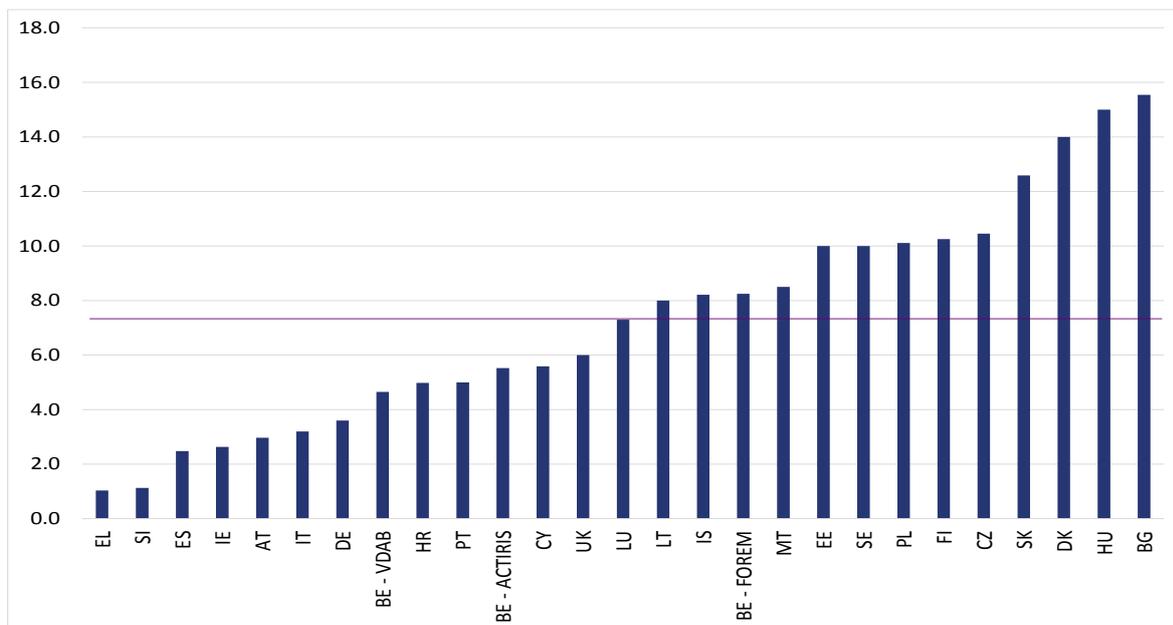
Finally, new staff hirings are related to institutional **reorganisations** e.g. in Austria and Luxembourg. In Luxembourg this concerned the reengineering of internal procedures (i.e. pre-inscription and restructuring of the PES registration process) and service offers ("e-ADEM"). The Sixth State Reform following the long 2010-2011 government formation in Belgium has had an impact on its three Belgian regional PES. Part of this agreement was the transfer of economic and employment competences to the regions. This led to accompanying shifts in staff numbers, increasing staff numbers in Actiris, Le Forem, and VDAB). In Germany, up to 1,100 jobs are to be created to further the co-operation between the German Federal Employment Agency and local communities. In Poland, shifting responsibilities between regional and local levels led to higher employment in the former and lower staff numbers in the latter. The Maltese PES set up two new units requiring additional staff in 2016: the 2016 Labour Market Analysis Unit and the Employer Relations Unit. In addition, its EU Affairs Unit was augmented. In 2016, Bulgaria transferred its "European funds and international projects" Directorate General from the Employment Agency to the Ministry of Labour and Social Policy, leading to a decrease in staff numbers.

### 3.2.2 Staff turnover and changing deployment of staff

Overall staff turnover (i.e. the proportion of total staff leaving the organisations) varied between 1% in Greece and 15.5% in Bulgaria. The average turnover per PES amounted to 7.3%.

It is difficult to explain these differences in staff turnover without further research. Staff turnover as a rule seems higher in Nordic PES (always above 10% turnover rates) and Eastern European PES (always above 5%, often above 10%). In contrast, all Mediterranean PES, with the exception of Malta, have turnover rates of 5% or less. All the remaining Western European PES have rates below 9%. These differences need to be reviewed with care, as these geographical characteristics may be typical for the PES, but could also mirror differences between countries in general employee turnover rates.

**Figure 11 Overall staff turnover in 2016**



Source: Responses to PES Capacity Report questionnaire 2017.

Note: No information was available for FR, LV, NL, NO, and RO

Note: Staff turnover is defined as: the proportion of total staff leaving the organisation over a set period for all reasons (including retirement, voluntary quits, redundancy, etc.).

In 2016 changes took place related to the deployment of staff in 12 PES. In 2017 this occurred in 14 PES. Overall, changes took place in 16 PES during this two-year period.

Many changes were related to structural reorganisations at national and in particular at regional and local level (e.g. BE-LE Forem, BE-VDAB, BG, HU, MT). Two other often-found explanations are changes in tasks (FI, HR, IT) and adjustments to accommodate the delivery of specific services (IS, NL, UK).

**Table 5 Changes in deployment or allocation of staff**

PES	2016	2017	Explanations
<b>AT</b>	Y	Y	Increase in frontline staff.
<b>BE - FOREM</b>	Y	N	Substantial changes occurred. The structure of Le Forem changed on 1st July 2016: from 11 regional directorates to four territorial directorates, with a new organisation of the departments and services. This new approach allows the identification of three quarters of staff in direct or indirect production functions, compared to a narrow definition of 'support functions' (human resources, finances, etc.).
<b>BE - VDAB</b>	N	Y	100 FTE of the transferred federal colleagues will be deployed to keep the PWA (local employment agency) system up and running until it is transformed into <i>Wijk-werken</i> in January 2018.
<b>BG</b>	Y	N	The restructuring of the Employment Agency is due to its new role as Concrete Beneficiary in terms of the "Human Resources Development" 2014-2020 Operational Programme, as well as the preservation of the role of Intermediate Body regarding the final closure of the "Human Resources Development" 2007-2013 Operational Programme. The change is also necessary in relation to the exhaustion of the Agency's functions as the Responsible Authority for the European Integration Fund and the closure of the 2013 Annual Programme. The new Rules of Procedure regulate the reorganisation and optimisation of the work processes in the Agency. The Rules of Procedure regulate the restructuring of the activities of three directorates in the specialised administration and two directorates in general administration, closing a directorate in the specialised administration, and creating two new directorates - one in the specialised administration and one in the general administration.
<b>CY</b>	Y	Y	PES staff are temporarily reallocated between regional/local offices on an everyday basis. Some permanent changes in the allocation of staff occurred in 2017 as well, from headquarters to a local office, from a local office to headquarters and between regional/local offices (5 Officers).
<b>EL</b>	N	Y	There have been changes in roles but not changes in the allocation of staff.
<b>FI</b>	N	Y	The allocation/increase of staff is based on the increase of job seeking interviews at the PES offices at three months interval, as stated in the government programme.
<b>HR</b>	Y	Y	Due to the increased scope of work in the Office for Financing and Contracting of EU projects, the total of seven employees from different departments were allocated to the Office for Financing and Contracting of EU projects.
<b>IS</b>	Y	Y	Staff were moved to work with the handicapped and people with disabilities.
<b>IT</b>	Y	Y	After the reform of provinces, there have been many changes at regional level in the organisation of local job centres. The reorganisation at local level is still ongoing.
<b>LT</b>	Y	Y	Since 1st September 2016, structural changes have been implemented in the PES Head Office. The reason for change was the introduction of a process-oriented management model. Four departments and their subordinate divisions were set up following the PDCA cycle: the Labour Market and the Employment Support Policy Implementation Department; the Activity Development Department; the Activity Management Department; the Finance; and the Legal and Purchasing Department. Structural adjustments have also been piloted in three out of ten local offices. As a result of the new management structure, the Deputy Director,

PES	2016	2017	Explanations
			Deputy Head of Division and Head of Sub-division positions have been abolished. The number of administrative staff decreased by 47. These duties have been re-allocated to direct client service.
<b>MT</b>	Y	Y	When the new Units (i.e. the Labour Market Analysis Unit and the Employer Relations Unit) were set up, existing staff were offered the possibility of deployment. Following the response to this, new staff were recruited to either fill the remaining gaps in staffing or to substitute for the staff that were deployed in the new Units.
<b>NL</b>	N	Y	While the total volume of staff will not change very much, more FTE posts will come available for personal services during the first period of registration as a job-seeker. This is a partial correction on the shift, made a few years ago, towards almost completely servicing new clients via self-service facilities on the internet.
<b>PT</b>	Y	Y	Changes in the allocation/deployment of staff occurred in 2016 were due to internal transfers, happening from and to different services: central, regional and local services.
<b>SI</b>	Y	Y	Due to the regional distribution of the staff turnover, the number of staff at regional and local offices slightly decreased. At the Central Office level, additional staff have been engaged to cope with increasing work load with issuing Work Permits (this activity is carried-out only in the Central Office).
<b>UK</b>	Y	Y	Increase in the number of Work Coaches.

Source: Responses to PES Capacity Report questionnaire 2017.

Note: Y = changes reported for that year. No information is available for DR, LV, and NO. Other PES reported no changes for either year so they are not included in the table.

### 3.2.3 The use of dedicated employment counsellors to deliver tailored support to employers

The number of PES that provide services to employers using staff exclusively dedicated to this purpose has been steadily increasing since 2014. Two more PES offered this type of service in 2015 and 2016, and three more in 2017.

Two thirds of the PES made use of this approach in 2017. Most of these PES also increased the number of staff dedicated to this task last year, the exceptions being Le Forem in Belgium, Germany, and Estonia. Particularly strong increases occurred in Bulgaria, Croatia, and the Netherlands. Bulgaria also has the largest share of their staff working exclusively for employers this year, followed by Malta, the Belgian Actiris and the Netherlands.

**Table 6 Development of special counsellors for employers in PES, 2015-2017**

2014	2015	2016	2017
AT, BE-ACTIRIS, BE-FOREM, BG, CZ, DE, EE, HR, LT, LU, MT, NL, SI, SK, UK (15)	Idem plus FR and IS (17)	Idem plus EL and SE (19)	Idem plus HU, IE, and IS* (22)

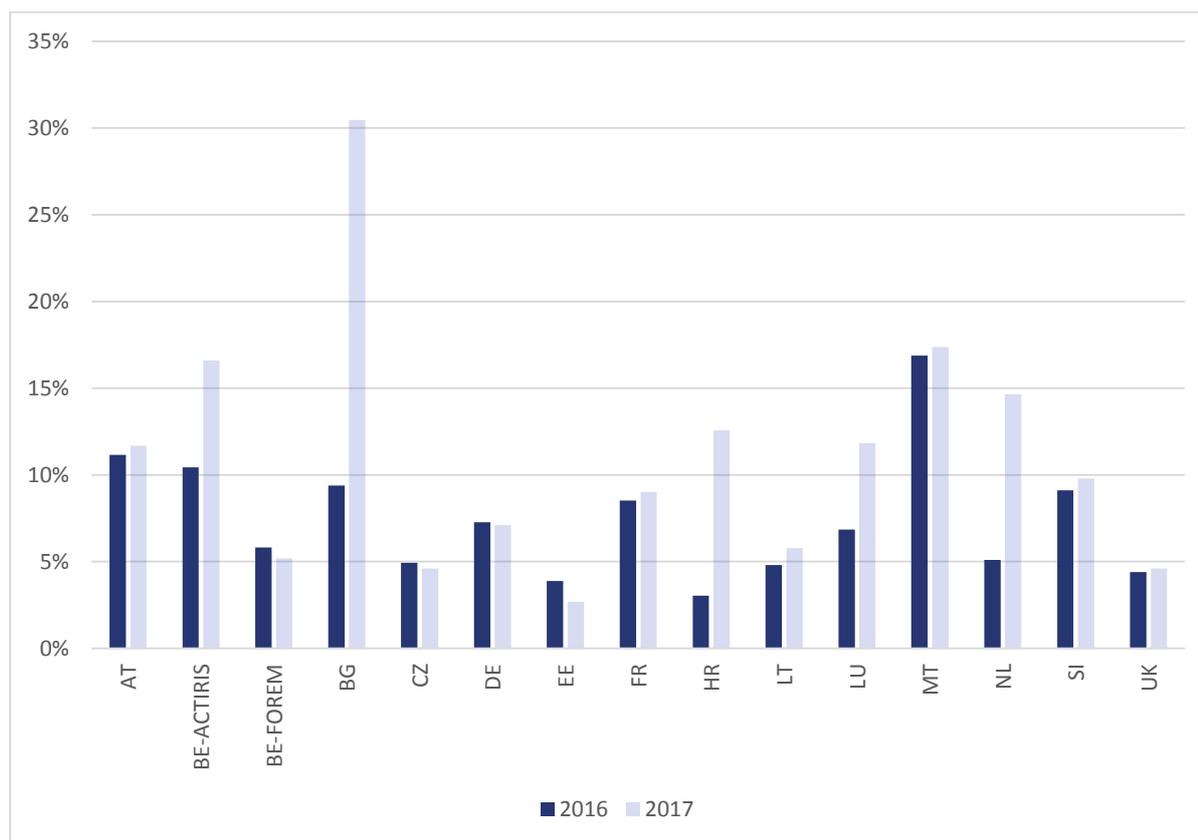
Source: Responses to PES Capacity Report questionnaire 2017.

Note: No information was available for DK, ES, NO, and PL.

\* No information was available for IS for 2017, but it did offer such services in previous years so has been retained here.

Bulgaria, Actiris in Belgium, Croatia, Hungary, Malta, the Netherlands and Slovakia dedicated relatively high shares of their work force to this service in 2017. Bulgaria now allocates 30% of its staff to employers, the highest share in the EU.

Particularly strong increases compared to the previous year occurred in Bulgaria, Hungary and the Netherlands, and to a lesser extent in Actiris and Luxembourg.

**Figure 12 Share of PES staff dedicated to servicing employers, 2016 and 2017**


Source: Responses to PES Capacity Report questionnaire 2017.

Note: See also footnotes under figure 9.

Note: For PES deploying employer-servicing staff only.

### 3.2.4 The use of special employment counsellors to deliver tailored support to job-seekers

In 2017, 24 PES offered services or part of their services to job-seekers through specialised counsellors. While a further three PES did so last year, no information was available from them for this year. Four PES did not dedicate staff exclusively to servicing job-seekers in 2016 and for one PES (CY), this definitely applied to 2017 as well.

The staff working specifically for job-seekers may be targeting job-seekers in general, but also one or more specific target groups, such as the long-term unemployed.

**Table 7 Specialised counsellor teams for job-seekers in PES, 2016 and 2017**

	2017 no	2017 yes	2017 no information
No in 2016	CY (1)	HU, IE, IT (3)	FI, PT, RO (3)
Yes in 2016		AT, BE-ACTIRIS, BE-LE FOREM, BE-VDAB, BG, CZ, DE, EE, EL, ES, FR, HR, LT, LU, MT, NL, PL, SE, SI, SK, UK (21)	DK, IS, LV (3)

Source: Responses to PES Capacity Report questionnaire 2017.

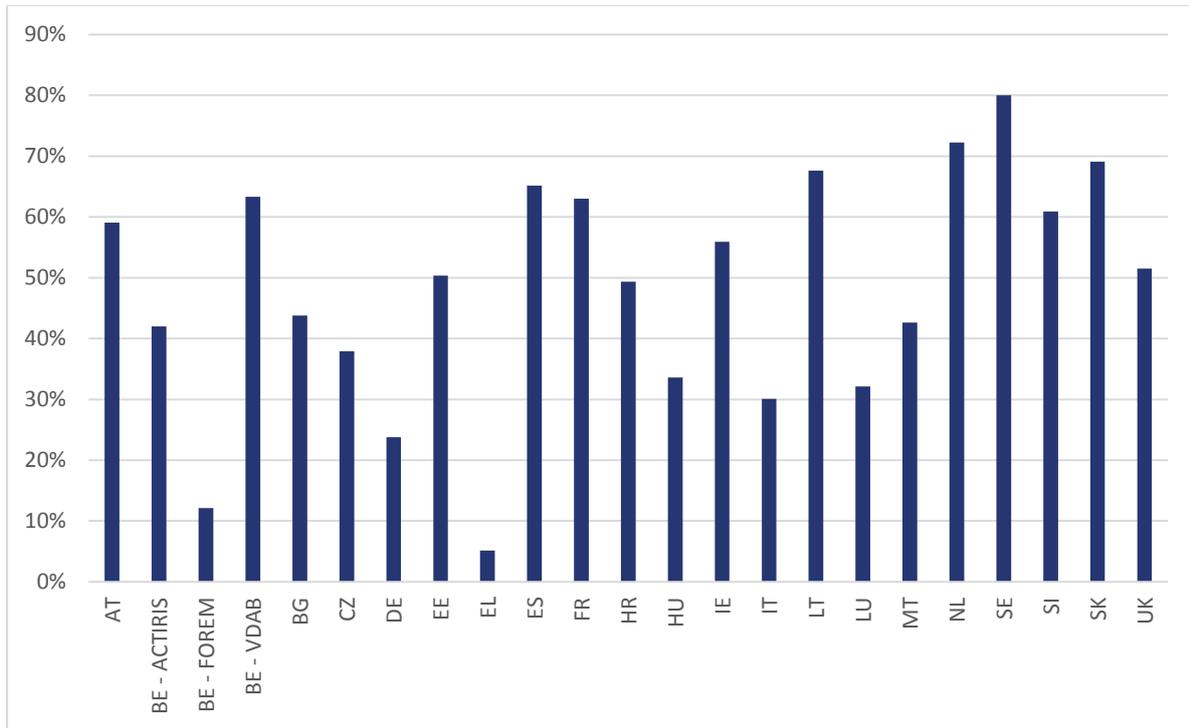
Note: See also footnotes under figure 9.

Note: No information is available for Norway.

The four PES having the largest share of staff, some 70-80%, specifically servicing job-seekers are Sweden, the Netherlands, Slovakia and Lithuania. At the other end of the scale are PES with shares of less than 40%, including the Czech Republic, Hungary, Luxembourg, Italy, Germany, Le Forem in Belgium, and Greece. A possible explanation could be that having the responsibility for administration and payment of benefits

increases this share. However, further analysis not elaborated here, has shown that this is not the case.

**Figure 13 Share of PES staff dedicated to servicing job-seekers in 2017**



Source: Responses to PES Capacity Report questionnaire 2017.

Note: See also footnotes under figure 9.

Note: For PES deploying such staff only.

Note: No data or insufficient information was available for CY, DK, FI, IS, LV, NO, PL, PT, RO. In Spain the data only refers to benefit officers only as ALMPs are the responsibility of the comunidades.

## 4. Active labour market policies used by PES

### 4.1 Recent developments in ALMPs

21 PES reported the introduction of new ALMPs, and 18 PES reported amending existing ALMPs to better respond to current labour market conditions. On average, this affected 2.9 new and 2.6 modified ALMPs for every PES that made these changes. In six PES, no changes in ALMPs occurred at all (BE-LE FOREM, HR, LT, LV, MT, and NL).

**Table 8 New ALMPs introduced - or existing ones modified - in the year preceding questionnaire completion**

PES	New ALMPs	Modified ALMPs	New and modified	Only new	Only modified	Neither
AT	N	Y			X	
BE-Actiris	Y	Y	X			
BE-Le Forem	N	N				X
BE-VDAB	Y	Y	X			
BG	Y	Y	X			
CY	Y	N		X		
CZ	Y	N		X		
DE	Y	Y	X			
DK	N	Y			X	
EE	Y	N		X		
EL	Y	Y	X			
ES	Y	Y	X			
FI	Y	Y	X			
FR	Y	N		X		
HR	N	N				X
HU	Y	Y	X			
IE	Y	Y	X			
IS	N	Y			X	
IT	Y	N		X		
LT	N	N				X
LU	Y	N		X		
LV	Y	N		X		X
MT	N	N				X
NL	N	N				X
PL	Y	N		X		
PT	Y	Y	X			
RO	N	Y			X	
SE	Y	Y	X			
SI	Y	Y	X			
SK	Y	Y	X			
UK	N	Y			X	
<b>Total Yes</b>	<b>21</b>	<b>18</b>	<b>13</b>	<b>8</b>	<b>5</b>	<b>6</b>

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data was available for NO.

The main target group for both new and amended measures were youth. People with disabilities were a relatively more important target group for new measures than last year, with nine measures introduced in five PES. Many amendments in ALMPs concerned general measures for the unemployed.

**Table 9 The tailoring of ALMPs through new or modified ALMPs in the year preceding questionnaire completion**

Target group	New		Amended	
Youth	BE-ACTIRIS, CY, DE, EL (2**), IE, IT, PL, SK (3)	11 measures in 8 PES	AT, BG, DK, ES, HU, SE (2)	7 measures in 6 PES
Long-term unemployed	CZ (2), ES, FI, IT	5 measures in 4 PES	DE, FI, RO, SE (2)	5 measures in 4 PES
Older workers	CY (2), LU (2), SK	5 measures in 3 PES	AT, BG	2 measures in 2 PES
People with disabilities*	BG (2), CY, EE (3), FI, LU (2)	9 measures in 5 PES	BG, EL, IS, PT, SK	5 measures in 5 PES
Migrants	-	-	-	-
Unemployed	BG (2), FR, HU (2), SE	6 measures in 4 PES	HU, IS (2), RO (2), SK (2), UK	8 measures in 5 PES
Refugees	DE, LV	2 measures, in 2 PES	-	-
Employers	EE	1 measure in 1 PES	-	-
Other		21 measures		19 measures
<b>Total</b>		<b>61 measures</b>		<b>46 measures</b>

Source: Responses to PES Capacity Report questionnaire 2017.

\* Includes the long-term sick in at least some countries

\*\* Number of ALMPs if more than one.

Note: For NO, no data was available.

Quite a few measures could not be classified according to the pre-defined target groups of the questionnaire. This concerned measures aiming at multiple target groups, and also measures aimed at workers and companies or groups defined according to their needs rather than their personal characteristics. To illustrate this, the following table lists the definitions used in 'other' recently introduced new ALMPs.

**Table 10 Other ways of tailoring in new ALMPs introduced the year preceding questionnaire completion**

Type of tailoring / PES	Description
<b>Combinations of target groups</b>	
BG	Unemployed persons with continuously maintained registration for not less than six months, unemployed aged up to 24, unemployed with primary and lower education, and unemployed aged over 50.
EL	Severely disadvantaged unemployed persons aged over 50.
EL	1. Unemployed persons registered with OAED, members of jobless families whose spouses are unemployed persons registered with OAED. 2. Unemployed persons registered with OAED, members of jobless single-parent families 3. Long-term unemployed persons registered with OAED. 4. Unemployed university graduates and technological educational institute graduates registered in the OAED register of unemployed graduates, for jobs to be covered on the basis of qualifications 5. Unemployed persons aged over 29 and registered with OAED 6. Unemployed persons registered in the OAED register of unemployed persons with disabilities 7. Unemployed persons who are registered with OAED and are beneficiaries of the "Social Solidarity Income" (SSI/KEA), formerly known as "Guaranteed Minimum Income" (GMI).
FI	a) Job seekers who have been unemployed for less than six months, unemployed in the ICT sector, immigrants and highly educated job-seekers. b) People who have been in the 'intermediate' labour market in subsidised employment.
FR	All categories of job-seekers with a focus on low skilled and long-term unemployed
SI	Unemployed aged between 30-49 years, unemployed from six to 12 months

Type of tailoring / PES	Description
SK	Disadvantaged job-seeking clients, the long-term unemployed, clients registered as job-seeking client for at least 12 consecutive months.
SK	For activity No. 1: job-seeking clients, disadvantaged job-seeking clients, employers and employment services providers. For activity No. 2: job-seeking clients, disadvantaged job-seeking clients, employers, employment services providers, pupils, students, and public and non-public employment services and their employees.
<b>Workers and companies</b>	
DE	Low-skilled and older workers in transfer companies, who receive short-time allowance.
EE	People who had been made redundant in the Ida-Viru region of Estonia.
FI	Dismissed from the ICT sector.
FI	a) Job seekers who have been unemployed for less than six months, unemployed in the ICT sector, immigrants, highly educated. b) People who have been in intermediate labour market in subsidised employment.
HU	Small and Medium-sized Enterprises (SME) recruiting the unemployed.
PT	People working for employers applying for the financial support within this ALMP and based in the Algarve region, who have fixed-term contracts with a duration of not less than three months ending between the 1st September and 31st December.
<b>Education or skills based</b>	
SI	Unemployed women with tertiary education (around six weeks).
SI	Unemployed women with tertiary education (amount of incentive: €5,000 and the person is obliged to stay in self-employment for two years).
<b>Groups defined by need</b>	
BE-VDAB	Job-seekers in need of intensive personal counselling to overcome certain obstacles in order to find a regular job.
SK	Disadvantaged job-seeking clients (two measures).
<b>Other</b>	
HU	Participants of public works programmes.
SE	From the age of 25 unless the unemployed person is; - young and has a disability with reduced capacity to work - 18 years old and stands far from the labour market due to special circumstances - new to Sweden and is subject to the law on introduction activity - a participant in the Job and Development Programme.

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data were available for NO.

Slightly more than half of the new measures that PES introduced were employment incentives. Almost a quarter concerned the provision of training. The overview in Table 11 confirms that the emphasis on measures that have an immediate link with employers and the workplace continues.

**Table 11 Types of new or amended ALMPs, by PES**

ALMP type	New		Amended	
2 Training	14	23%	16	35%
4 Employment incentives	33	54%	16	35%
5 Sheltered and supported employment and rehabilitation	6	10%	4	9%
6 Direct job creation	1	2%	1	2%
7 Start-up incentives	2	3%	0	0%
Multiple categories applied	5	8%	9	20%
<b>Total</b>	<b>61</b>	<b>100%</b>	<b>46</b>	<b>100%</b>

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data were available for NO.

Note: The classification of ALMPs in the EU LMP database was used here. The former category '3: Job rotation and job sharing' is currently integrated into category 4 in this classification and therefore missing from this table.

## 4.2 The deployment of active measures for specific client groups

This section explores the types of ALMPs that the PES currently offer to various target groups, including the new and amended measures discussed in the previous section.

The first two observations to be made concern the importance of individual measures used, and the variety of measures offered to different groups. Training and employment incentives remain the type of measure most often used for all target groups. Overall, PES use a larger variety of measures for young people and long-term unemployed than for older workers and people with disabilities. The exception to the second observation is the 'supported employment and rehabilitation' category, which is a key part of the PES offer to people with disabilities besides training and employment incentives.

Although the relative importance of services and ALMPs offered was generally similar for the four groups, the following small differences in emphasis were emerged:

- For young people, the importance of education and training, as well as employment incentives and to a lesser extent start-up incentives was more prominent;
- PES were more likely to offer supported employment and rehabilitation to the long-term unemployed; and
- Direct job creation and start-up incentives were more often offered to long-term unemployed workers than to older workers.
- Support, employment and rehabilitation is more often used for people with disabilities than for the three other groups. It is used least, in only six PES, for young people.

When asked which measures were primarily used for a specific group, PES vary not only in the degree of variation between groups, but also substantially in the number of measures often used per group. Some of the PES seem to be selective and distinguish clearly between target groups. The Belgian VDAB, Greece and Romania in total cite only six measures, whereas the Belgian Actiris, Bulgaria and the Czech Republic are at the other end of the scale with 18 measures each. Many of the medium or fullest ALMP baskets brought to target groups are found in Eastern European and Southern European PES. PES with small baskets are geographically more evenly spread. However, PES in Western and Northern countries are more likely to foresee a less diverse offer.

**Table 12 Types of measures primarily used for target groups**

ALMP type	Young people	No	Long-term unemployed	No	Older workers	No	People with disabilities	No
<b>2 Training</b>	AT, BE-ACTIRIS, BE-VDAB, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK	28	AT, BE-ACTIRIS, BE-VDAB, BG, CY, CZ, DK, EL, ES, FI, FR, HR, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK	24	AT, BE-ACTIRIS, BE-VDAB, BG, CY, CZ, DE, DK, EE, FI, HR, HU, IE, IS, LT, LU, MT, PL, PT, SE, SI, SK	22	AT, BE-ACTIRIS, BE-VDAB, BG, CZ, DE, EE, EL, FI, HR, HU, IS, LT, LU, LV, MT, PL, PT, SE, SI, SK	21
<b>4 Employment incentives</b>	AT, BE-ACTIRIS, BG, CY, CZ, DE, DK, EE, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT,	26	AT, BE-ACTIRIS, BG, CY, CZ, DK, EE, EL, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK	23	BE-ACTIRIS, BG, CY, CZ, DK, EE, ES, FI, FR, HR, HU, IE, LT, LU, MT, PL, PT, RO, SE,	21	AT, BE-VDAB, BG, CY, CZ, DE, DK, EE, ES, FI, FR, HR, IS, LT, LU, LV, MT,	22

ALMP type	Young people	No	Long-term unemployed	No	Older workers	No	People with disabilities	No
	PL, PT, RO, SE, SI, SK				SI, SK		PL, PT, SE, SI, SK	
<b>5 Sheltered and supported employment and rehabilitation</b>	BE-ACTIRIS, BG, CZ, DE, FI, SK	6	AT, BE-ACTIRIS, BE-VDAB, BG, CZ, DE, DK, ES, FI, FR, HU, IT, SE, SK	14	AT, BE-ACTIRIS, BG, CZ, DE, DK, FI, HU, SK	9	AT, BE-ACTIRIS, BG, CZ, EE, ES, FI, FR, HU, IE, IS, LT, LU, LV, MT, PT, RO, SE, SI, SK	20
<b>6 Direct job creation</b>	BE-ACTIRIS, BG, CZ, EL, FI, FR, HR, LT, LU, LV, PL, PT, SK	13	BE-ACTIRIS, CZ, DE, EL, ES, FI, FR, HR, IT, LT, LU, LV, MT, PL, PT, SI	16	BE-ACTIRIS, CZ, EL, FI, FR, HR, LT, LU, PL, PT, SI	11	BG, CZ, EL, FR, HR, LT, LU, MT, PL, PT, SI	11
<b>7 Start-up incentives</b>	BE-ACTIRIS, BG, CZ, ES, FI, FR, HR, IE, IS, IT, LT, LV, PL, PT, SE, SI, SK	17	BE-ACTIRIS, BG, ES, FI, FR, HR, IS, LT, LU, LV, PL, PT, SE, SI, SK	15	BE-ACTIRIS, BG, FI, HR, IS, LU, PL, PT, SE, SI, SK	11	BE-ACTIRIS, BG, CZ, FI, FR, HR, LT, LV, PL, PT, SE, SI, SK	13

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data or insufficient information available for BE-LE FOREM, NL, NO, and UK, and for two PES for older workers (LV) and people with disabilities (IT, LV).

Note: The classification of ALMPs from the EU LMP database was used here. The former category '3: Job rotation and job sharing' is currently integrated in category 4 in this classification.

### 4.3 Availability for work checks and sanctions regimes

All EU PES, with the exception of Bulgaria and Cyprus, check the availability for work of their unemployed clients. Sometimes availability for work is a requirement for registration with the PES, it is often also a criterion for the receipt of unemployment or social assistance benefits.

The information on the ways in which availability for work is being checked is varied, but a common approach is checking on their availability at the point of first registration. The following table gives some examples of the procedures applied.

**Table 13 Procedures for checking availability for work – some examples**

PES	Procedure
<b>BE-ACTIRIS</b>	The assessment process involves different steps. The first one is of an assessment based on a dossier: if positive, the positive decision result is forwarded to the job-seeker, if not successful, the job-seeker is called for the second step consisting in an interview with an assessor. If the assessment is still not successful, the job-seeker is called for an interview by a college of three independent assessors. If upon further deliberation, the assessment is not positive, the negative decision result is forwarded to the job-seeker. The payment of unemployment benefits depends on the result of the assessment. The job-seeker may appeal against the decision to an administrative review body, the « <i>Comité paritaire de recours</i> » (Joint Appeals Committee), in addition to the courts and other tribunals.
<b>FI</b>	The PES checks job-seekers' availability for work with an interview and the first interview must be arranged within two weeks of the start of job-seeking, unless this is obviously unnecessary with regard to the client's particular circumstances. After that,

PES	Procedure
	interviews are arranged at three month intervals, according to the new decision of the government programme, as part of the key target of increasing the efficiency of job mediation. In addition, the PES checks job-seekers' availability for work whenever the TE office provides services and offer jobs.
<b>HR</b>	During the registration process each person signs up under material and criminal liability the availability for work in accordance with the Act on Employment Mediation and Entitlements during Unemployment. Furthermore, the Regulation on active job search and availability for work specifies the meaning of the availability for work and states that an unemployed person is available for work if he or she responds to every call of the Croatian Employment Service (CES) for the activities of preparation for employment and employment itself which are determined by the Individual action plan. The availability is checked on the through activity of individual consultation which has to be carried out once every four weeks.
<b>IS</b>	Yes, as a condition for payment of benefits. Upon registration/application for benefits, job-seekers must confirm they have read the VMST rules regarding rights and obligations. Job-seekers receiving benefits must be available for work and actively seeking employment. They must confirm their availability and active job search online each month, attend scheduled interviews and accept ALMP measures.
<b>IT</b>	The unemployed must declare their immediate availability for work (DID), through the website (regional/national) or directly to the local job centres.
<b>LT</b>	In Lithuania, only those registered as unemployed are registered as job-seekers. Conditions for granting unemployment status and therefore payment of unemployment insurance benefit include not being in employment, education or training, being of working age, registration with the PES and actively looking for a job. Checks if a person is really looking for a job and is ready to take up a job offer are carried out: -during the first visit at PES by checking personal documents and providing answers to a standardised questionnaire; -checking automatic data obtained from the databases of various institutions to determine a person's willingness to work and his/her employment opportunities; -if there are registered vacancies available which meet a person's qualification, competencies, experience and health, an unemployed person is provided with a recommendation for employment. If a person refuses a job without valid reasons, sanctions may be applied. Recommendations for employment are issued on an individual basis (for example, the marketability of a qualification).
<b>MT</b>	Job-seekers need to be available for full time employment if they are registering on the Job Seekers Register administered by Jobsplus - Malta's Public Employment Service. Job-seekers visit one of Jobsplus's Job Centres and sign up on the Register. The registration officer, through a series of questions, evaluates the availability of the job-seeker for work and inputs this information on a database. The registration officer also schedules an appointment (within the following 2-3 weeks) for the job-seeker with an Employment Advisor. During the meeting between the job-seeker and the Employment Advisor an in-depth interview is carried out and a Personal Action Plan is drawn up. The PAP is an agreement between parties on the set of actions which would need to be executed in the weeks to follow. The frequency of meetings between the job-seeker and the Employment Advisor varies between two to four weeks. Job-seekers who are computer literate are followed up on-line every two weeks, with a face to face meeting once every six weeks.
<b>NL</b>	The job-seeker is obliged to do at least four job search activities in a period of four weeks. At the end of each period, the job seeker has to report about his/her job search activities. If the job-seeker does not report on time or does not report enough activities for the first time, she/he receives a warning. If it is not the first time, we impose a sanction.
<b>SI</b>	At registration, the PES checks their age (15-65 years) and their formal conditions for registration (not being employed, students or self-employed). Their availability for work is checked and agreed in an Individual Action Plan (IAP) within approximately 14 days of registration. The unemployed are required to provide evidence of job-search activities. They should regularly apply for vacancies, respond to referrals from the Employment Service, attend interviews and carry out all activities agreed in their IAP. Feedback from the employers about their performance at the job interviews is received. Unemployed people are obliged to attend the meetings with counsellors. In cases of doubt about the active job search, the unemployed person can be put under surveillance by internal Department of control.

Source: Responses to PES Capacity Report questionnaire 2017.

\* For seven PES, no information on the specific grounds for sanctioning was available: BE-LE FOREM, EE, ES, IE, NL, NO and SK. BG and CY do not apply sanctions.

The availability for work, active or passive, is the main criterion that can result in sanctioning if it is not met by job-seekers. Related to this, not accepting a job offer is the main reason for sanctioning. Not accepting an offer that would increase the chances of finding work, such as training, or frustrating the possibility for PES to support and check on their clients are also important grounds for sanctioning. Sanctions are not applied in Cyprus and Latvia.

**Table 14 Main reason for sanctioning**

Reason	PES	No. of PES
Rejection of job offer	AT, BE-VDAB, CZ, DE, EE, ES, FI, FR, HR, HU, IS, LT, LU, NL, PL, RO and SI	17
Active availability/job search	BE-ACTIRIS, BE-LE FOREM, EE, EL, FI, FR, HU, HR, IE, IS, IT, LT, NL, SE and SI	15
Rejection of ALMP offer (one or more types)	AT,CZ, DE, EE, ES, FI, FR, HR, HU, LT, MT, PL, RO and SI	14
Not meeting a reporting date/meeting with counsellor without a good reason	AT, BE-VDAB, DE, EE, EL ,ES HR, HU, IE, IS, LT, LU, NL and PL	14
Provision of incorrect information	AT, DE, ES, FI, FR, HU, IE and SI	8
Non-performance of agreed actions	BE-VDAB, CZ, DE, EE, ES, HR, LU, SE and the UK	9

Source: Responses to PES Capacity Report questionnaire 2017.

Note: No data or insufficient information was available for DK, NO, and SK. BG and CY do not apply sanctions.

For 15 PES, information was available on both the number of sanctions and the number of job-seekers that were sanctioned. The total number of sanctions in 2016 amounted to 1.9 million for these PES, against 1.0 million people sanctioned. This means that the unemployed concerned received 1.8 sanctions per person. However, a few PES with large numbers of sanctions (DE, DK, SE, and the UK) have a relative high number of sanctions per person ranging from 1.6 in the United Kingdom to 2.5 in Denmark. There are also 11 other PES with less than 1.5 and often (virtually) one sanction per person.

**Table 15 Number of sanctions applied in 2016**

PES	No sanctions	No of persons sanctioned	No of sanctions per person
EE	534	534	1.0
EL	1,086	1,086	1.0
ES	1,847	1,847	1.0
RO	2,158	2,158	1.0
SK	42,286	42,286	1.0
PT	2,609	2,606	1.0
LT	42,386	41,517	1.0
BE - FOREM	10,485	10,049	1.0
MT	1,105	984	1.1
IS	1,276	1,095	1.2
FI	98,000	75,600	1.3
UK	316,700	196,700	1.6
SE	316,461	185,430	1.7
LU	5,551	3,240	1.7
DE	939,133	415,513	2.3
DK	112,456	45,460	2.5
<b>Total</b>	<b>1,894,073</b>	<b>1,026,105</b>	<b>1.8</b>

Source: Responses to PES Capacity Report questionnaire 2017.

BG and CY do not apply sanctions.

Note: For PT the period is May 2016 to April 2017, instead of January-December 2016.

## 4.4 Target-setting

### 4.4.1 The use of targets by PES

Most PES set targets for their performance in assisting job-seekers to enter or re-enter the labour market<sup>17</sup>. Four PES are the exception, Actiris in Belgium, the Czech Republic, Hungary, and Italy.

In total, 21 PES set general targets for clients. The majority of them also set targets for specific groups. The most comprehensive packages in this respect are found in five PES (BG, LT, HR, MT, and NL), which set targets for all clients, and have separate targets for youth, the long-term unemployed, and older workers - as well as the disabled.

Targets for specific groups are most often set for young people (21 PES) and the long-term unemployed (17 PES). Still, around 40% of the PES for which this information is available set targets for older workers (11 PES) and people with disabilities (13 PES).

Groups for which a small number of PES sets targets are women (3 PES) and employers (5 PES). The recent refugee crisis is showing in the fact that eight PES set targets related to this group (DE, FI, IS, LT, LU, LV, MT, and SE).

**Table 16 Target-setting in PES, general and for specific groups**

PES	All clients	Youth	Long-term unemployed	Older workers	People with disabilities
AT	Y	N	Y	Y	N
BE - ACTIRIS	N	Y	N	N	N
BE - FOREM	Y	N	N	N	N
BE - VDAB	N	N	N	N	N
BG	Y	Y	Y	Y	Y
CY	N	Y	N	Y	Y
CZ	N	N	N	N	N
DE	Y	Y	Y	N	Y
EE	Y	Y	Y	N	Y
EL	Y	Y	N	Y	N
ES	N	Y	Y	N	Y
FI	Y	Y	Y	N	N
FR	Y	N	N	N	N
HR	Y	Y	Y	Y	Y
HU	N	N	N	N	N
IE	N	Y	Y	N	N
IS	Y	Y	Y	N	Y
IT	N	N	N	N	N
LT	Y	Y	Y	Y	Y
LU	Y	N	Y	Y	N
LV	Y	Y	Y	N	N
MT	Y	Y	Y	Y	Y
NL	Y	Y	Y	Y	Y
PT	Y	Y	Y	N	Y
RO	Y	Y	N	Y	Y
SE	Y	Y	Y	N	Y
SI	Y	Y	Y	Y	N
SK	Y	Y	N	N	N
UK	Y	Y	N	N	N
<b>TOTAL Yes</b>	<b>21</b>	<b>21</b>	<b>17</b>	<b>11</b>	<b>13</b>

Source: Responses to PES Capacity Report questionnaire 2017.

Note 1: No information on targeting was available for the DK, NO, and PL.

Note 2: Not including targets set for processing benefits.

<sup>17</sup> Targets related to passive support (e.g. the provision of unemployment benefits) are not included in this.

*Note 3:*

*VDAB: VDAB focuses on measuring the satisfaction of our customers after they have taken certain process steps. VDAB does not set targets, but has several objective and subjective (satisfaction) indicators used in monitoring.*

*DK: There is no nationwide target. The active labour market policy is to a wide degree decentralised to the municipalities. They are benchmarked continuously on a monthly basis on a number of indicators.*

#### 4.4.2 Indicators and targets for monitoring results

All 21 PES that set general targets include output targets, 14 of those PES combine outputs with other targets. Thirteen PES set results targets, often in combination with other targets. Six PES set targets for customer satisfaction. Only the Bulgarian PES used a target at impact level: an annual average unemployment rate of 9.4%.

This section zooms in on the targets related to the results of programmes. These are typically more difficult to measure than outputs. Going on the indicators employed by PES, effective labour market policies are designed to result in more unemployed people entering employment and fewer unemployed people becoming long-term unemployed.

A comprehensive set of indicators and targets for **entering employment** is being used in Austria. The Austrian PES assesses the effectiveness of labour market training by a 'commencement of work' rate. Targets are set in terms of the share of women and the share of men who succeeded in finding work after the training. In addition, the PES defines employment targets for the number of long-term unemployed and the number of older workers finding new employment, again distinguishing between men and women. Slovenia measures entering employment by the number of the unemployed returning to employment. In addition, the Slovenian PES uses a more specific indicator for monitoring the results of training programmes: the share of transitions into employment after six months following the completion of training programmes.

Entering employment has a quantitative as well as a qualitative dimension. This is seen in France, where the PES sets targets for the number of job-seekers returning to employment, as well as for the number of job-seekers returning to sustainable employment. The PES also sets these targets for participants in training recommended by the PES. It does not set specific targets for individual groups, but the French PES does monitor outcomes for specific groups, including young people, the long-term unemployed, older workers, and people with disabilities. It should be noted that other PES that are not setting targets for specific groups may still monitor the results of general targets at the level of such groups.

Targets in principle should be derived from aims and objectives defined for labour market interventions. The use of such an intervention logic, systematically going from objectives to indicators and targets, is illustrated by the targets set in Bulgaria. The Bulgarian PES aims to increase employment through the implementation of programmes, projects and measures under the Employment Promotion Act. To achieve this objective, targets are set for people entering the primary labour market and for the number of workers starting work after participating in labour exchanges. One of the other objectives the PES pursues is to improve the functioning of the labour market by increasing the efficiency and quality of mediation services offered by the Employment Agency to achieve an annual average unemployment rate of 9.4%, and to increase the Employment Agency's market share.

Another, more global, indicator for entering employment is the number of people leaving the PES register. The Dutch PES e.g. sets a target for older workers aiming at a minimum number (53,000) of unemployment insurance benefit claimants to leave the register. A final indicator used for entering employment are the targets used by the PES in the United Kingdom that are based on evidence of earnings.

Different indicators can also be used when setting targets for **avoiding long-term unemployment**. In Germany, regional directorates set targets on the transitions to long-term unemployment and include their achievements in their monthly monitoring process. The indicator used considers how many clients can be prevented from shifting

into long-term unemployment. Finland sets a target for the maximum number of 'difficult to place' unemployed who are (still) on the register. Estonia sets targets with regard to the rate of entry to employment for the new recipients of unemployment insurance benefits within 12 months. The average or median length of unemployment in days for those entering employment is another possible indicator, used in Latvia. Finally, Sweden sets targets both for the group of people registered as unemployed that have not had a job within the last 12 months (the relative volume of long-term unemployment) and the group of people registered as unemployed for more than 12 months that either gets a job or gets a place in further education (to measure the effectiveness of the support system that prevents long-term unemployment).

Targets for the entry of the long-term unemployed into employment belong to the first type of result targets, but obviously also contribute to the (prevention or) reduction of long-term unemployment. Estonia offers a number of specific services to this group. The Estonian PES has an output target based on the percentage of long-term unemployed (registered as unemployed for 12 months or more) participating in labour market services. The ambitions for the results of the programme are defined in terms of the rate of entrance to employment for the long-term unemployed (excluding the unemployed with a reduced ability for work) within 12 months. Similarly, Sweden measures the part of the population that are registered as unemployed for more than 12 months that get a job or an education. Ireland uses a variety of indicators, accompanying its new Pathways to Work 2016 - 2020 programme, launched in early January 2016. This programme aims to shift the focus from 'activation in a time of recession' to 'activation for a recovery'. The shift entails particular attention being devoted to people who are long-term unemployed. The first target is set in absolute terms: for the first year of the programme the Irish PES aimed to move 20,000 people who were long-term unemployed at the start of 2016 into employment by end of 2016. Ireland also aims to reduce the persistence rate by 25% (from 27% to 20%) by end of 2018. The persistence rate is the percentage of unemployed people who become long-term unemployed. Finally, the PES has set a target for increasing the exit rate of people on the live register for two years or longer by 30% (to 52%) by the end of 2018 (the target was 44% for the end 2016).

#### 4.4.3 Targets for selected groups

The previous section already mentioned some targets aimed at monitoring results for specific groups. They included targets for older workers, young people, the long-term unemployed, and people with disabilities. Targets can of course be set for any group, and Bulgaria provides a good example of target setting for some specific vulnerable groups on the labour markets: unemployed single parents and adoptive parents with children under five years old, unemployed ex-offenders, inactive persons who want to work, and unemployed people with no or low skills/qualifications and who lack key competences (this group includes people with low educational attainment and Roma). For these groups, the PES developed specific action plans and formulated targets for each group based on employment during or after participation.

The remainder of this section provides a more detailed overview of targets used for three less traditional specific groups whose importance is increasing: employers, people with disabilities and refugees.

Targets relating to **employers** do not always concern the benefits for employers themselves.

The target to ensure that employers will recruit 5,000 additional job-seekers between 2015 and 2017 (as in Luxembourg) primarily serves the placement of job-seekers. The Dutch PES negotiated agreements with employers individually (large companies) and also group agreements for smaller companies with a view to filling vacancies with special groups of clients. To achieve this, certain targets were agreed for the placements to be

achieved (target: >70%). Again, the primary beneficiaries here were the job-seekers, although the agreements will also have benefits for the employers.

Employer targets may also relate to the PES work processes. An output indicator for such processes is the number of first-time visits to employers to present the PES services (BG). An example of a process indicator is the number of employers that are referred to suitable candidates within 48 hours of notifying the vacancy to the PES (MT). The target for PES operations in Austria was a specific number (103,708) of additional vacancies with a salary higher than €1,900 per month.

Results targets that directly focus on the benefits of services for employers are usually formulated in terms of the vacancies filled. The German PES sets targets for the number of successfully filled vacancies for small and medium-sized companies (excluding job agencies). Targets are set by German regional directorates and local employment agencies and are monitored monthly. The focus is on businesses that rely on particular support from the PES. France, in contrast, sets targets for the share of job vacancies fulfilled by the PES. Slovenia sets a variety of targets including the number of registered vacancies for which employers ask PES staff for active mediation, the share of vacancies where employers need PES assistance in finding suitable candidates among all their vacancies, and the PES market share for filling all their vacancies. One measure that can be considered as an 'impact target' is the maximum number of enterprises having recruitment problems (which was 23% in Finland).

As targets for **people with disabilities** and **refugees** are a relatively new phenomenon, the following table provides an overview of indicators used.

**Table 17 Indicators used to set targets for people with disabilities, and refugees or asylum seekers**

PES	Description
<b>Indicators for people with disabilities</b>	
LT	Social employment: The average number of persons working in social enterprises per year. The number of newly employed persons in social enterprises per year. The average number of supported social enterprises per year. The number of rehabilitation services provided for unemployed with disabilities who acquired new qualifications and competencies.
DE	Outflow of people with severe disabilities in employment - for this key indicator, targets are set by regional directorates and monitored monthly.
SE	Proportion of registered unemployed with disabilities who go to work or education.
EE	Average monthly percentage of unemployed with reduced ability for work participating in labour market services. The rate of entrance to employment for the new registered unemployed with reduced ability for work (excluding recipients of unemployment insurance benefit) within 12 months.
IS	At least 50% of those in need of specialised services obtain employment or placement on ALMP that leads to employment within six months of registration.
<b>Indicators for refugees and asylum seekers</b>	
AT	Proportion of migrants in the whole number of persons in 'ALMP measures'.
BG	Number of people granted refugee or humanitarian status in employment with funds from the SB.
DE	Integration rate and entries in measures for asylum/refugees of the German Federal Employment Agency.
FI	Number of places realised in the municipalities.

PES	Description
IS	Number of days before clients receive employment counselling, placement in employment or ALMP measures .
LT	Indicator created after counselling services, career-planning services, abilities and competencies assessment service. ALMPs then applied for integration into the labour market.
LU	All asylum seekers registered with the PES undergo a thorough profiling of their practical vocational skills and personal capabilities in order to facilitate their labour market integration or placement in ALMPs.
MT	Weeks taken to process applications for the issue of an employment licence.
SE	Increased proportion of newly-arrived leaving the introduction programme for work or studies after 90 days.

Source: Responses to PES Capacity Report questionnaire 2017.

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