10th PES Network Board Meeting
Vienna, 10-11 December 2018
Outcomes

**Nature of the meeting:** The Board is the governing body of the Network, established by Decision No 573/2014/EU. It is composed of one nominated member for each Member State, from the senior management of their respective PES, and for the European Commission. The meeting is not open to the public. The adopted outcomes are published on the EMPL Europa website.

Absent: HU

**Day 1**

**Welcome**
The Board members were welcomed by the PES Network Chair and the DG of the AT PES. New Board members were introduced (DK, ES, RO). The Chair gave a summary of the leadership dinner on the theme of ‘How to create enthusiasm in our PES’ that took place on the evening before (9th December).

**ITEM 1: Adoption of outcomes of the last meeting and agenda**

The Board adopted the draft agenda.

The draft outcomes of the June 2018 Board Meeting were adopted without comments and will be uploaded on the EMPL Europa website. BG presented a video about the June 2018 Board Meeting.

**ITEM 2 Shortage of skilled labour in the EU: What can PES do?**

The AT PES Board members presented the Austrian response strategy regarding skills shortages. The decrease of the population and the estimated decrease of jobs in Austria will have more or less the same volume of about 10% until 2030. The item is being discussed very controversially by different stakeholders. The gap in skills will remain the big challenge for PES. Options are upskilling of unemployed people and employees as well as recruiting outside the EU according to defined conditions.

COM presented the status quo from a comparative view: On "brain flow" inside the EU and the recruitment of highly skilled third country nationals; regarding this latter topic, COM stressed that EU is lagging behind compared to USA and Canada or Australia. There is no co-ordinated policy in the EU, no attractive schemes and only a small share of migrants is using PES.

Heads of PES were invited to an open exchange on seven roundtables in which seven PES provided input on what PES can do in one of the following five fields:

1. “Skill shortages in outgoing countries”: HR
2. “Skill shortages in outgoing countries”: PL
3. “The need for skills in destination countries”: BE-Le Forem
4. “The EU Blue card and similar national schemes”: DE
5. “Facilitating international job matching (in particular from outside the EU)”: FI
6. “In-country activities to tackle skills/geographical mismatches”: FR
7. “In-country activities to tackle skills/geographical mismatches”: NL

The following challenges were identified e.g.: A need for adaption of the educational system, commitment of employers, regional mismatch and regional skills gaps, recognition of diplomas, database on vacancies and CVs. As main barriers language and recognition of diplomas were mentioned, continuous monitoring of the labour market is needed, as well as attractive schemes for returnees, etc.

After reporting back, the Chair proposed that a questionnaire on strategies of PES and needs for support of the network will be sent to AFEPAs; he suggested a Working Group on this topic for the Work Programme 2019. BE-
Le FOREM and FI expressed their interest in chairing this Working Group; the PES Secretariat will follow up with them. The Board agreed to the proposal of the Chair.

**ITEM 3: PES-Network Decision Evaluation – Presentation of interim findings and paper of the Chairs**

COM presented the interim findings of an external study supporting the evaluation of the PES Network provided by an external contractor (ECORYS). The evaluation will feed into the possible reflection on the future of Decision 573/2014/EU on enhanced co-operation between Public Employment Services, which is limited to 31/12/2020. The interim findings draw a positive picture of the Network’s effectiveness, efficiency, relevance, coherence and added value.

COM announced that the Network can continue to count on external support and that the open call for tendering for 2019 (a one year contract renewable up to 3 times) has been closed with an award of the contract to a consortium led by ICON (DE) in partnership with the Institute for Social Research and societal policies (ISG, DE), the Centraal Bureau voor de Statistiek (NL), ÖSB Consulting GmbH (AT), and Fondazione Giacomo Brodolini (IT).

**ITEM 4: Update on the European Labour Authority**

The Chair introduced the item and COM gave an update on the current state of play of ELA. The trilogue process with the European Parliament and the Council is ongoing and the main challenge is to get ready before the closure of the European Parliament (end of February). Several discussions are still pending: change the name Authority into Agency, transfer of EURES coordination, mandate, participation of Social Partners, seat of the Institution. ELA is likely to have a more limited remit than COM proposed.

COM thanked the Network for its valuable input into the discussion.

In the afternoon the participants were invited to visit a vocational training center.

**Day 2**

The Chair welcomed the Austrian Minister for Social Affairs, Mrs Beate Hartinger-Klein, who stressed the importance of the PES and the network of PES.

**ITEM 5: Austrian Labour Market and the role of the Austrian PES**

Johannes Kopf presented the AT labour market and its trends. The AT labour market is characterised by 5 years of increasing employment, and in 2017 for the first time a decrease in unemployment after several years of increasing unemployment. AT stressed the big increase in the labour supply with newcomers from the neighbour countries and persons recognized as asylum seekers. A live dash-board showed the dynamics on the labour market with 1.5 million new employment contracts and 1.5 million ended employment contracts every year on a labour market with on average 4 million employed people. Challenges on the Austrian labour market are an increasing share of LTU, people 50+, refugees and labour shortages. A new strategy focuses services and ALMPs on a group with a middle distance to the labour market, while the group very far from the labour market should be supported by other specialised organisations, and the group closest to the labour market is expected not to need support.

**ITEM 6: PES Network Work Programme**

1. Results of the 2nd Benchmarking cycle: The PES Secretariat briefly presented the state of play. The 2nd cycle of self- and external assessments has been completed (exception ACTIRIS which will be assessed in June 2019), almost all reports are included in the dashboard or will be uploaded in the coming weeks.

Marco Puxi (ICON lead researcher on benchmarking) presented the results of qualitative and quantitative benchmarking. Although 2 years between the first and the second cycle is a very short time spell there is an
improvement in almost all PES visible. The findings on the relationship between quantitative and qualitative results from the first cycle has been confirmed but still have to be interpreted with care.

The Chair suggested to organise a meeting at Heads of PES level about the future of Benchlearning, to which the Board agreed. ES and BG offered to host this meeting.

2. The PES Secretariat presented the state of play of the Mutual Learning Programme 2018. All planned activities will be implemented before the end of January. Each PES have been involved. Reports, papers and toolkits are available on the Knowledge Centre. Four important items are still in progress:
   - The Analytical Paper ‘How PES can prevent form unemployment in a changing world of work” (end of 2018)
   - The webinar ‘The Future of Work: Implications and responses by the PES Network.’ (December 14th)
   - The seminar on digitalisation (January 15th, Brussels)
   - A Key consideration paper about Human Resource Management (end of 2018), to be circulated in a written procedure.

The floor was given to ES to present the results of its Mutual Assistance Project held from March- November 2018.

3. Adoption of the Annual Report 2018
   The Chair introduced the Annual Report and the PES Secretariat presented its structure.
   The Board adopted the Annual Report. It will be published on the PES Network website and sent to the European Parliament and Council (via EMCO) in January 2019.

4. Adoption of the new Work Programme 2019, including the Learning Dialogues

Work Programme 2019:
   The Chair presented the Work Programme 2019 and highlighted some topics like the planned EU Innovation Lab, the conference on prevention and the idea to create a Working Group on skills shortages. The Work Programme continues with this year’s approach of thematic clusters and proposes three clusters:
   - Future of Work and Digitalisation
   - PES Service Delivery
   - PES Performance Management

The Chair called for PES to chair Working Groups. COM informed that the quality of ALMP will also be a critical point in the 2019 Work Programme.

Mutual Assistance Projects:
   COM announced that three PES can apply for a Mutual Assistance Project in 2019. Board members are invited to notify the Secretariat in writing to express their interest by 15 January 2019.

Learning Dialogues:
   The Chair explained that the Work Programme 2019 includes the new format of Learning Dialogues which will fit into the thematic clusters and other activities.
   The PES Secretariat summarised the organisation of the Learning Dialogues and presented the subjects, the hosts PES and participants. IT asked for a change of topic (Performance management-evidence based services/decisions hosted by DK.). LT accepted to join the group on activation of inactive citizens.
   The Board was also informed that BE-VDAB will host the pilot Learning Dialogue. The Chair gave a positive answer to the NL request for getting some information about the first results of the Learning Dialogues at the RO Board.

   The Board adopted the Work Programme 2019 on the condition that the PES Secretariat adds the agreed modifications.

ITEM 7: PES Working Paper on Future of Work
   Position Paper: The PES Secretariat presented the PES working paper “The Future of Work: Implications and responses by the PES Network” established by the Working Group chaired by HU. The aim of this paper is to provide clear guidance on trends including technological and demographic trends. The paper identifies implications of the future of work for PES. It points out a number of possible solutions that can support PES in
the further development of evidence-based activities and services. Key concepts in PES strategies are inclusiveness, empowerment, co-creation and the use of knowledge are crucial.

The Board adopted the working paper that is supposed to also feed into an update of the PES Network Strategy 2020 and beyond, proposed by the Chair.

The Chair highlighted that PES need to take up several challenges such as reinforcing their conductor role and develop stronger relations with the civil society, stimulating return to work, becoming career specialists for all citizens, changing the business model, using new technologies etc. The update of the strategy paper should highlight accordingly:

- Recent developments on the labour markets including emerging platform economies and “non-standard” forms
- Labour shortages including increased (workforce) mobility and international cooperation.
- A more heterogeneous customer base, that PES (will) face
- Need of making use of (new) digital technologies for customer services and harvesting richer data sources.
- Need for co-production and PES taking up the conducting function
- PES role as vital component of the “knowledge society”.

The PES Secretariat will launch a written procedure for adopting the updated version of the PES Network strategy after the Board Meeting.

**ITEM 8: Labour Market Barometer**

Enzo Weber (IAB) presented the findings of the pilot phase that began in June 2018 with 11 European PES. Board members are invited to decide on the follow up. Participating PES provided positive feedback on the pilot (MT, BG and LT). Single PES communicated to discuss a possible participation internally (ES, PT and FI). The Chair promoted to follow common Network initiatives. A common indicator could be a sensible labour market measure, but sufficient participation of the member PESs is key. A common project should be launched if at least 20 member PES approve the project and commit themselves to participate.

Board members are requested to indicate their interest to participate by 15 February 2019 to the PES Network Secretariat in copy enzo.weber@iab.de).

**Any other business**

NO updated the 2016 PES Network’s key consideration on the integration of refugees into the labour market. The PES Secretariat informed the Board that this paper will be circulated in a written procedure for adoption.

Partnerships with the education sector: reporting on activities at EU and Member State Level as follow up of the 8th Board meeting in Tallinn: The PES Secretariat presented the actions during 2018 at EU level, and in 11 national PES to strengthen partnerships with the education sector. The Chair called on making use of papers like this on national level.

The PES Secretariat summarised the findings of the survey about the European Employers Day. As only a few PES preferred a big event, in 2019 the Employers Day will continue in its current format “small and simple”, linked to the VET Skills Week.

RO presented its three priorities for the next Presidency:
- Labour mobility
- Combatting demographic decline
- Education and training for the Labour Market

The RO PES Board Meeting will take place on the 6-7 June 2019 in Bucharest.

The FI PES Board Meeting will take place on the 12-13 December in Helsinki.