



European Network of Public Employment Services

Assessment Report on PES Capacity

2019

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Abbreviations

AFEPAs	Advisors For European PES Affairs
ALMP	Active Labour Market Policy
BL	Benchlearning
DG EMPL	Employment, Social Affairs and Inclusion Directorate General
EaSI	European Programme for Employment and Social Innovation
EC	European Commission
ESF	European Social Fund
FTE	Full-time equivalents
HRD	Human Resource Development
ICT	Information and Communication Technology
IPA	International Protection Applicants
LMP	Labour Market Policy
LTU	Long-Term Unemployed
NEET	Young person who is Not in Education, Employment, or Training
OP	Operation Programme
PES	Public Employment Service(s)
PrES	Private Employment Services
SoE	Sustainability of Employment
UB	Unemployment Benefit
UI	Unemployment Insurance
YEI	Youth Employment Initiative
YG	Youth Guarantee

Headline messages

The European PES Network: monitoring capacity in a changing context

This 2019 Assessment Report on the Capacity of Public Employment Services (PES) provides an overview of the main trends in the development of PES, describing aspects of their capacity and the client services they offer. This report is based on information received from 31 PES in July and August 2019. It includes 27 Member States of the EU (the three regional PES in Belgium are separate), together with Iceland and Norway. It provides an information base to support the work of the European PES Network. The main findings of this report are summarised below. A **separate report** presents the findings of an ad hoc survey on PES Implementation of the Youth Guarantee¹.

Structural changes predominantly in tasks, internal organisation and e-services

Ten PES reported changes to their organisational set-up, five of these concerned more detailed specifications of information they had already provided in the previous year. The more substantial changes concerned job descriptions, responsibilities and changes in their organisational structure and e-services. Examples of the extension of PES responsibilities include employment support for certain categories of asylum-seekers (IE), training for people still in employment (LT) and careers advice and guidance for young people (BE-Actiris and EE). In the Brussels Capital Region in 2018, BE-Actiris formed a new partnership to provide better careers advice. The Estonian PES is now also tasked with providing careers advice for young people from the age of seven. It also became responsible for the methodological development of careers services in Estonia.

The Lithuanian PES merged its central and ten regional PES offices into one legal unit, with two departments in the central office and five regional client-facing offices across the country. The legal name of the former 'Lithuanian Labour Exchange' changed to 'Lithuanian Employment Services'. In Hungary, labour market reforms continued and the new local office model already in place in three counties was extended to another three counties in April 2019. The employment contract of Hungarian civil servants, including PES staff, was changed, which led to some staff being laid off in April 2019. In Italy, the absorption of the management functions of PES by the regions, previously under the responsibility of the provinces, led to some further changes in terms of personnel and structure.

The Swedish PES further extended its digital services offer and, together with external partners, undertook a series of initiatives towards further digital matching and increasing digital awareness. The Swedish PES also underwent organisational restructuring.

As of 1 July 2019 the three regions previously sub-divided into 11 'Market Areas' have been replaced by two national 'business areas'. One of the business areas is responsible for employers and the other for jobseekers. Each business area is divided into six new regions providing specific customer services either for jobseekers or for employers. At the local level there are now 130 local employment offices, a reduction from the previous 280.

Number of jobseekers decreasing further, but growth in vacancies less than before

The labour market context in which PES operate continued to improve in 2018. New data used for the present report confirms the longer-term trend of a decreasing number of unemployed PES clients. Overall, the number of registered unemployed declined between 2015 and 2018 from 20.3 million to 16.4 million, amounting to a reduction of 23.8%. Almost all PES (29 out of 30 where this information was available) saw this number

¹ <https://ec.europa.eu/social/BlobServlet?docId=21886&langId=en>

decreasing. Vacancies, on the other hand, have been increasing since the crisis of 2008/2009, but this increase was small (1.9%) between 2017 and 2018.

The share of difficult-to-place clients very slowly decreasing

Not only has the number of registered unemployed been decreasing since 2015, target groups such as young people, older people and the long-term unemployed (LTU) also profited from the recovering economy. In 2018 the decrease, compared to the previous year, became somewhat smaller, except for older workers. As a result, since 2015 the share of groups who have specific difficulties (re-)entering the labour market has been decreasing - the overall share for these 'difficult-to-place' groups decreased further between 2017 and 2018.

PES expenditure stable since previous year

To ensure comparability across PES, the financial comparisons in this report do not include expenditure on unemployment benefits or other benefits, or *pro forma* expenditure². Overall, total expenditure, excluding these categories, increased in recent years, though the annual increase gradually became smaller³. Between 2017 and 2018 an overall decrease occurred, albeit a very small one (-0.2%). Compared to five years earlier, the number of PES that increased their spending was low, while a larger group of PES was reporting decreasing expenditure in recent years. This overall decrease was caused in particular by two of the PES with relatively high budgets (FR and SE) spending less than the year before. In fact, expenditure was lower in only six PES, while 12 PES spent more in 2018 than in the year before. As before, most of the PES budget was spent on Active Labour Market Policies (ALMPs), followed by staff costs.

Staff numbers continue the modest decline first observed last year

Collectively the total staff, measured in Full-Time Equivalent (FTE), has now been *decreasing* for three years, starting with a 0.2% decrease between April 2016 and April 2017⁴, followed by a 1.2% and 1.4% decrease in the last two years. Countries with decreasing or stable staff numbers include the *largest* PES, which explains why, in spite of the overall trend, the number of PES with *increasing* staff numbers over the past 12 months was somewhat higher last year than in the previous year. For many PES the development in staff numbers is in line with the trend since 2016.

Growing staff turnover rates

Overall, PES staff turnover rates (i.e. the proportion of total staff leaving PES in a given year) increased from 2017 to 2018. For the 28 PES for which this information is now available, the average staff turnover rate rose from 7.8% in 2017 to 8.9% in 2018. Nineteen PES had higher turnover rates, while only six PES had lower turnover rates than the year before. The most often mentioned reason for staff turnover was natural causes, particularly retirement.

Limited changes foreseen in staff deployment

Only ten PES foresee changes in the deployment or allocation of their staff in 2019. These changes were related to a variety of causes, sometimes related to structural organisational or HR policy measures, but more often to the implementation of specific tasks.

² Expenditure items that feature in the PES budget but are transferred to other organisations without any involvement in their further spending.

³ This information is available for 18 PES.

⁴ Data on staff numbers refer to the situation on April 30 in a given year, with the exception of staff turnover and changes implemented or foreseen that affect staff changes.

Increasing focus of ALMPs on workers, companies and the low-skilled

Twenty-two PES reported the introduction of new ALMPs, and twenty PES reported amending existing ALMPs to respond better to labour market conditions in 2018. Young people are still an important target group for these new measures. About one in four of the new measures are directed at young people, while about one in six are directed at the LTU. The number of new measures for older or inactive people is only slightly smaller than the number for the long-term unemployed. Several new measures were introduced in 2018 aimed at people needing specific education and skills.

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, supplemented by supported employment and rehabilitation for the disabled. Nevertheless, direct job creation and start-up incentives are also used quite often for most groups and this was somewhat more the case than in the previous report.

Strategic targets often related to the long-term unemployed

In total, 24 PES have defined strategic targets for 2018, e.g. in their annual business plan. The main defined strategic targets reported vary in number from two or three in Denmark and Wallonia, to 24 in Bulgaria and 48 reported by the Flemish PES. Only a small number of PES do not set targets, and some of these PES without formal targets do monitor their performance using indicators agreed in advance. Important categories of targets are those related to vacancies, the LTU, and young people. Twelve PES set strategic targets with a view to improving PES internal processes. A majority of the PES that set strategic targets for 2018 (15 of the 24) included targets for results to be achieved in terms of employment. Three quarters of the PES setting targets included indicators for outputs in terms of services delivered, inflow into ALMPs, and, in some cases, participants completing ALMPs.

1. Introduction

1.1. The European PES Network and its Benchlearning activities

In May 2014, the European Council and the European Parliament published a Decision⁵ that led to the creation of the European Network of Public Employment Services in June of that year. This formalised the long-standing cooperation between Public Employment Services (PES) in Europe, going back to 1998. This network is made up of 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).

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, together with the complementary volume on PES implementation of the Youth Guarantee (YG)⁶, provides an information base to support the work of the European Network of PES.

The present paper is the fifth annual report published on PES capacity. The report is principally based on 30 questionnaires received from European PES during July and August 2019 (the United Kingdom and Norway did not participate). The report also makes use of the data collected in previous years, as well as data obtained during the general annual PES Benchlearning data collection exercise. All PES provided data for this dataset, with the exception of the United Kingdom and Italy.

In previous years, data on jobseekers was collected through the survey, and the definition of jobseekers was aligned with other data collected in the same survey. In view of the limited actual use being made of this data, since 2019 data already collected through the annual Benchlearning survey has been used. As the definitions in the two surveys may be a little different, the results may also vary a little. However, the overall trends are similar (see Chapter 3 for more information).

In countries with strongly decentralised structures, the national PES supplied as much information as they were able to, although the amount of information these countries were able to provide was inherently limited.

This report begins with an update of the institutional set-up of PES (Chapter 2). This Chapter is followed by a discussion of key trends in the settings in which PES operate (Chapter 3). Chapter 4 examines the resources PES have, the ways in which those resources are deployed and how the PES organise their work. Chapter 5 concentrates on the services offered to clients by the PES, in particular the Active Labour Market Policies (ALMPs) they use. The final Chapter summarises the strategic objectives for 2018 using the key targets set for that year.

⁵ 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).

⁶ <https://ec.europa.eu/social/BlobServlet?docId=21886&langId=en>

2. Institutional characteristics

2.1. Continuity and change

Last year's report provided extensive information on developments in the organisational set-up of the PES in different European countries. For most PES, this situation remained more or less the same. Ten PES made further amendments to the descriptions they provided in the previous year or reported more substantial changes. Updated detailing descriptions for each PES can be found in the PES country factsheets. An overview and analysis were given in the 2018 PES Capacity Report⁷. This Report describes the main changes that have occurred since then.

The main changes concerned PES tasks and responsibilities, and the organisational structure and e-services.

2.2. Tasks and responsibilities

Changes in the description of responsibilities of PES pertain to the implementation of ALMPs (BE-Actiris), careers advice and guidance to young people (BE-Actiris and EE), employment support for people in work (LT), and support for certain categories of asylum-seekers (IE).

Two PES reported changes in the tasks for which they are now responsible. BE-Actiris **specified its tasks** as being responsible for the implementation of most ALMPs, with two other organisations, Bruxelles Formation and VDAB Brussel, being responsible for training (ALMP measure 2). BE-Actiris is also partly responsible for **careers advice and guidance** for young people still in education, helping students to make better career decisions. This includes awareness programmes on the reality of the labour market, the students' obligations once they finish their studies, and the service offered by the PES for young people. Actiris also participated in the opening of the Cité des Métiers (March 2018) that gives careers advice to people of all ages and during all life transitions. As of 2019, the Estonian PES was responsible for the provision of careers counselling for young people from the age of seven, as well for the adult population. Moreover, the Estonian PES is responsible for the methodological development of careers services.

Two other PES have extended their service provision to **new client groups**. Since 2018, the Lithuanian PES has provided training for **people currently in employment**. With effect from 30 June 2018, International Protection Applicants (IPA) in Ireland, who have been waiting for a decision on their **asylum-seeking application** for nine months or longer, can apply for broader access to the labour market than applied for under an earlier interim arrangement. Case Officers in the Irish PES can provide a walk-in employment support service for eligible IPAs as the walk service is currently open to all jobseekers 'not in activation'. Prior to the introduction of this initiative, access to both employment and self-employment for this cohort was very restricted and had to be within the limits of the employment permit scheme and self-employment. Since this Labour Market initiative was introduced, a growing number of applicants have received permission from the Irish Naturalisation and Immigration Service, operating on behalf of the Minister for Justice and Equality, to allow full access to both employment and self-employment.

The following table provides an updated overview of the tasks for which PES are responsible in the different Member States.

⁷ <https://ec.europa.eu/social/BlobServlet?docId=20575&langId=en>

Table 1. Fully (F), partly (P) or not (No) responsible for specific duties* by PES

	1	2	3	4	5	6	7	8	9	10	11	12
AT	P	F	P	F	No	P	F	No	P	P	P	P
BE - ACTIRIS	F	P	No	No	No	F	No	F	No	No	No	P
BE - FOREM	F	P	No	F	No	No	No	No	No	No	No	No
BE - VDAB	F	P	No	F	No	P	No	P	No	P	No	P
BG	F	F	No	No	F	P	F	No	No	No	P	P
CY	F	P	No	No	F	P	F	No	No	No	No	No
CZ	F	F	F	F	P	F	P	No	F	F	No	F
DE	P	F	F	No	P	P	P	No	P	P	F	P
DK	F	F	No	P	F	P	No	No	P	No	No	No
EE	F	F	F	No	No	No	P	No	No	P	P	F
EL	F	F	F	F	No	F	No	No	P	No	No	No
ES	F	F	P	F	F	F	No	No	No	F	No	P
FI	F	F	No	No	No	F	P	F	No	No	No	No
FR	F	P	F	No	P	P	No	P	No	No	No	P
HR	F	F	F	No	No	No	No	No	No	No	P	P
HU	F	F	F	No	F	No	No	P	No	No	F	P
IE	F	F	F	No	No	No	No	No	F	F	No	P
IS	F	F	F	No	P	No	F	n/a	P	No	No	No
IT	F	F	No	No	F	No	P	F	No	No	No	P
LT	F	F	No	No	P	P	F	P	No	No	No	P
LU	F	F	F	No	No	F	P	No	No	P	P	P
LV	P	F	No	No	F	No	No	F	No	No	F	P
MT	F	F	No	P	No	No	P	No	No	No	No	No
NL	P	P	No	No	No	P	F	No	No	No	P	No
NO	F	F	F	F	No	No	No	n/a	F	F	No	No
PL	F	F	F	No	P	P	P	No	No	No	P	P
PT	F	P	P	F	F	P	No	P	No	No	No	No
RO	F	F	F	F	F	F	No	No	No	No	No	P
SE	F	F	No	No	No	P	No	No	P	No	P	No
SI	F	F	F	No	No	P	F	No	No	No	P	P
SK	F	F	No	No	P	No	P	No	F	F	P	P

Source: Responses to PES Capacity Questionnaires, 2018 and 2019.

* Classification of duties:

1 - 'Individualised paths': the implementation of services offering tailored ('individualised') assistance (for example intensive counselling and guidance, and job-search assistance) and follow-up for unemployed people provided as part of a planned path towards durable (re-)employment (cf. services as in Eurostat LMP database Category 1.1.2).

2 - ALMPs: the implementation of ALMP measures (any measures within Eurostat LMP database cats. 2-7) financed by national funds or co-funding from the European Social Fund (ESF).

3 - Unemployment benefits: the administration of the national unemployment benefit (UB) scheme (the handling of UB claims, payments, financial planning and reporting etc.).

4 - Training centre: managing training centre(s) for jobseekers (training centres that are an integral part of the PES).

5 - Licensing and supervising private employment agencies (PrES).

6 - Apprenticeship places: the notification of apprenticeship places and the placement of apprenticeship candidates.

7 - Work permits: issuing work permits for third country nationals (for example approving and issuing applications, keeping records, reporting, etc.).

8 - Acting as the Managing Authority (MA) for the ESF.

9 - Social allowances: the administration of social types of allowances (for example child allowances for Unemployment Benefit recipients).

10 - Disability benefits: the administration of benefits for people with disabilities or handicapped people.

11 - The approval of layoffs made by employers.

12 - Careers advice and guidance for young people still in education.

2.3. Organisational structure

A number of PES have seen further changes in their organisation, particularly affecting their work at the regional level. In addition, the Swedish PES is heavily investing in a digital infrastructure for the internal organisation of their work as well as their service delivery.

In **Hungary**, County Government Offices are responsible for providing public employment services, while the PES head office is part of the Ministry of Finance. The PES deals with multiple ministries in the implementation of its tasks. From April 2019, the Hungarian Ministry of the Interior became responsible for **social inclusion policy**, a task formerly falling within the remit of the Ministry of Human Capacities' portfolio. Although the actual results are not known yet, this transfer of tasks is likely to affect the workflow with vulnerable PES customer groups in the counties. Furthermore, experiments carried out with **a new local office model** are continuing and three new counties in April 2019 joined the three counties that already introduced this reform. In addition, a **new law on public administration** came into force on 1 March 2019. This law regulates the employment conditions of the Hungarian civil servants in the central and territorial administration.

In **Italy**, reorganisations at the regional level were already ongoing last year. The **regions** absorbed the management functions of the PES that were previously under the responsibility of the **provinces**. Some of the people working in the provinces opted to work in the regional administration, others were transferred to other local administrations and other public entities. In some cases, this step triggered a review of the Italian regional structure of employment services. Because of this re-organisation, continuing the service offer has been a challenge as some of the provincial staff moved.

The structure of the **Lithuanian** PES was changed in 2018, as the central office was merged with the 10 territorial offices. The legal name of the Lithuanian Labour Exchange was changed to the Lithuanian Employment Services under the Ministry of Social Security and Labour. The Lithuanian PES is now **one legal unit with two departments in the central office and five client departments in the country**. The departments in the central office provide methodological and administrative support. Departments of common affairs and finances are centralised. The client departments are responsible only for the services for clients. They consist of 50 local units in total.

From 1 July 2019, the **Swedish** PES was reorganised into a **new structure**. At the national level the PES is, as before, led by a Director-General who is appointed by the Government. A Board, also appointed by the Government, is responsible for strategic decision-making. However, the three regions previously sub-divided into 11 'Market Areas' have been replaced by two national 'business areas'. One of the business areas is responsible for employers and the other for jobseekers. Each business area is divided into six new regions **providing specific customer services either for jobseekers or for employers**. At the local level there are now 130 local employment offices, a reduction from the previous 280. In addition, the Swedish PES has increased its national-level phone and chat service available to jobseekers and employers as well as the number of digital services on its website. The aim is to achieve a full digital service for customers who are 'digitally literate'.

The PES also started work to make it possible to provide a **digital service for the general public**, i.e. not only the registered unemployed. This will provide Swedish citizens with new and better tools for labour market information, and services based on 'data driven insight'. The PES has **partnered up with organisations** such as LinkedIn and Monster building a digital open source platform for external use. The PES also established a **digital academy** together with Google and the City of Stockholm as a way to increase **digital awareness**.

In this respect it should also be mentioned that new legislation in **Malta** empowers their PES to establish administrative provisions for the **registration and the recording of personal data** of employers and jobseekers. In addition, the Maltese PES now also has the authority to access any government register of people with disabilities to facilitate their integration into the labour market.

3. Developments in supply, developments in demand

PES provide job services for all jobseekers who ask for PES assistance, regardless of their labour market status. The jobseekers can be active or inactive when contacting PES. This means that PES deal not only with people who have 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 jobseekers registered with their PES. This year this Chapter has used the data on the registered unemployed provided by PES during the annual PES Benchlearning data collection process. The figures on the registered unemployed show the annual average of the 'stock' of the unemployed registered with the PES at the end of each month of that year, who are available for the labour market and who are, or who should be, looking for a job, excluding those on any active labour market measure. This definition differs slightly from the one for job-seeking clients used in the data in previous reports⁸.

According to the new data, the decline in the number of unemployed jobseekers registered with PES was higher than in the 2018 report. This is predominantly caused by a difference in data reported for this year by one of the larger countries. The total for the other PES does not differ greatly from the corresponding total in the previous report.

Nevertheless, the new data confirms the longer term trend of a decreasing number of unemployed PES clients. Overall, the number of registered unemployed declined from 20.3 million in 2015 to 16.4 million in 2018, amounting to a 23.8% decrease. Almost all PES (29 out of 30) saw this number decreasing⁹.

Table 2. Developments in the number of registered unemployed, 2015-2018

	2015-2016	2016-2017	2017-2018	2015-2018
Number of PES with increasing numbers	5	1	3	1
Number of PES with decreasing numbers	25	29	27	29
Overall percentage change	-5.9%	-7.6%	-7.2%	-23.8%

Source: Annual PES Benchlearning Data Collection.

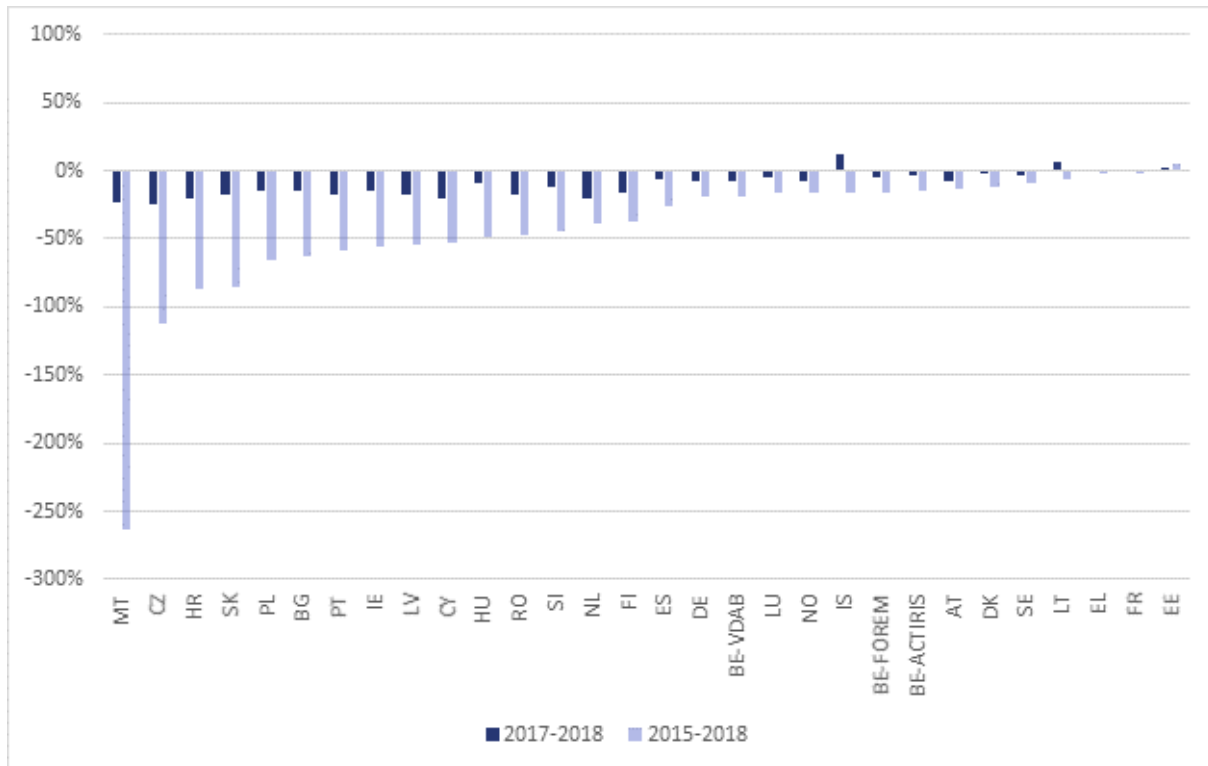
Note: Average monthly 'stock' of the registered unemployed compared on an annual basis, who are available for the labour market and who are, or who should be, looking for a job, excluding those on an active labour market measure. No data - or insufficient data - is available for Italy.

The long-term fall in the number of registered unemployed was highest in Malta, followed by the Czech Republic, Slovakia and Croatia. The only PES where the number of jobseekers was still increasing over the longer term was the Estonian PES.

⁸ In the previous PES Capacity questionnaire, the definition of job-seeking clients included participants in ALMPs (except Eurostat LMP categories 5-7) and the figures in principle reflected the situation at the end of April. Furthermore, the number of PES responding to this question in the annual Benchlearning data collection was somewhat higher than the number of PES responding to the survey.

⁹ No information was available for Italy.

Figure 1. Percentage change in the number of registered unemployed, 2017-2018 and 2015-2018, ordered by change in the 2015-2018 period



Source: Annual PES Benchlearning Data Collection.

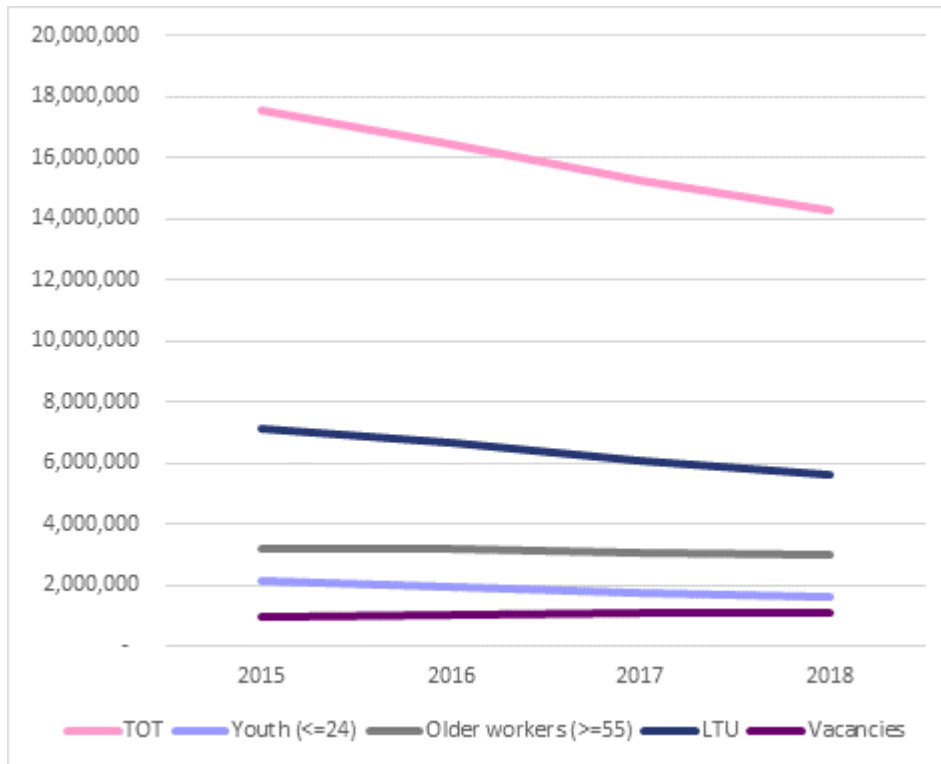
Note: Average monthly 'stock' of the registered unemployed compared on an annual basis, who are available for the labour market and who are, or who should be, looking for a job, excluding those on an active labour market measure. No data - or insufficient data - is available for IT.

Not only has the number of registered unemployed been decreasing since 2015, target groups such as young people, older people and the long-term unemployed (LTU) also profited from the recovering economy. In 2018 the decrease compared to the previous year became somewhat smaller, except for older workers. As a result, since 2015 the *share* of groups with specific difficulties in (re-)entering the labour market has been decreasing. These shares decreased further between 2017 and 2018, with -7.4% for youth, -3.9% for older people and -7.1% for the LTU for the 21 PES for which comparable data has been available since 2015.

Vacancies, on the other hand, have been increasing since the crisis of 2008/2009, but this increase between 2017 and 2018 was small (0.6% for the 21 PES in Figure 2).

The following figure compares the development of different groups of the registered unemployed and the vacancies for 21 PES, where all relevant data is available. The number of registered unemployed by far outweighs the number of vacancies reported to the PES. Nevertheless, the difference between the numbers of unemployed and the numbers of vacancies is becoming smaller. For the 21 PES taken as a whole, between 2015 and 2018 the number of registered unemployed per vacancy decreased from 19 to 13.

Figure 2. The number of registered unemployed target groups and vacancies reported to PES, 2015-2018



Source: Annual PES Benchlearning Data Collection.

Note: The numbers refer to the monthly average of the number of registered unemployed and vacancies notified. No data - or insufficient data - is available for CY, CZ, EE, EL, IE, IS, IT, NL, NO and RO.

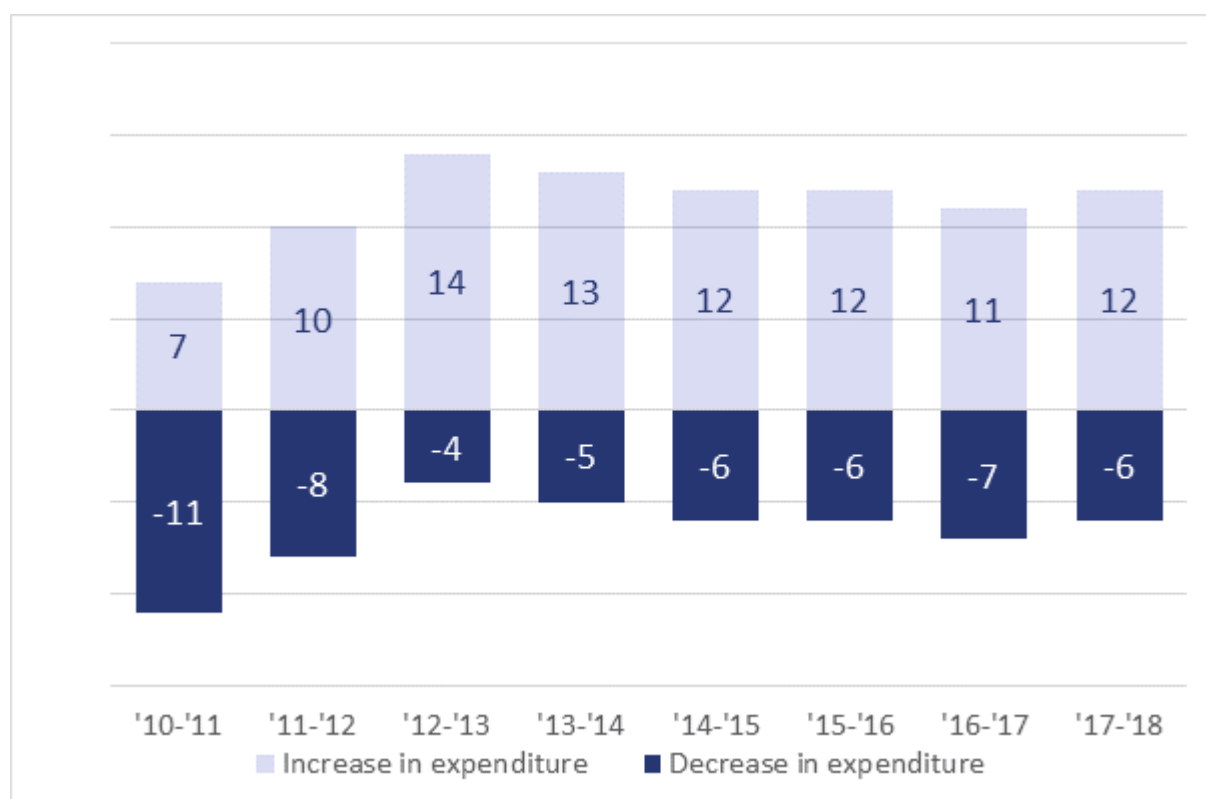
4. PES internal resources

4.1. PES financing and annual expenditure

To ensure comparability across PES, the financial comparisons in this section do not include expenditure on unemployment and other benefits or *pro forma* expenditure¹⁰. Overall, total expenditure excluding these two categories increased in recent years, although the annual increase gradually became smaller¹¹. Between 2017 and 2018 an overall decrease occurred, albeit a very small one (-0.2%).

Compared to five years ago the number of PES with increasing expenditure has gone down, while a larger number of PES was reporting decreasing expenditure in recent years.

Figure 3. The number of PES reporting changes in total expenditure, excluding benefits paid and *pro forma* expenditure, 2010-2018



Source: Annual PES Benchmarking Data Collection.

Note: Information for 18 PES. No information - or insufficient information - is available for BE-Forem, CY, DE, EL, ES, HU, IE, IT, IS, MT, NL, NO and PL.

As usual the variety in development across individual PES is large, as can be seen from Figure 4. For many of the PES with lower expenditure in 2018 than the year before this constituted a marked change to increases in previous years (BE-Actiris and FR, particularly noticeable in LT, SI and SE).

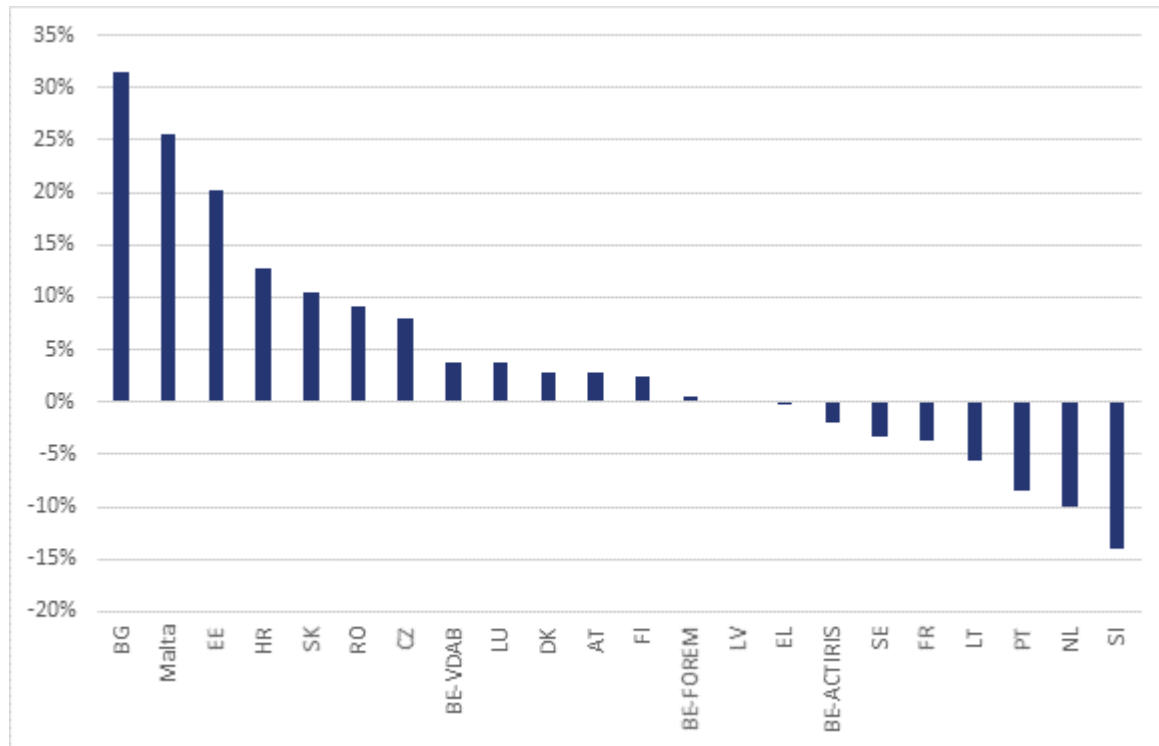
Two PES saw their expenditure increasing in 2018 but the increase was smaller than in previous years (LV and LU). Five PES saw dwindling expenditure in the past now changing to increasing expenditure in 2018 (CZ, DK, FI, HR and RO). Other five PES are seeing a

¹⁰ Expenditure items that feature in the PES budget but are transferred to other organisations without any involvement in their further spending.

¹¹ For 18 PES this information is available, as opposed to 17 PES in last year's report. This slightly alters the data for previous years.

continuing growth in their expenditure (AT, BE-VDAB, BG, DK and EE). In the remaining PES the picture over time is more mixed.

Figure 4. Percentage change in PES expenditure, excluding unemployment benefits and *pro forma* expenditure, 2017-2018



Source: Annual PES Benchlearning Data Collection.

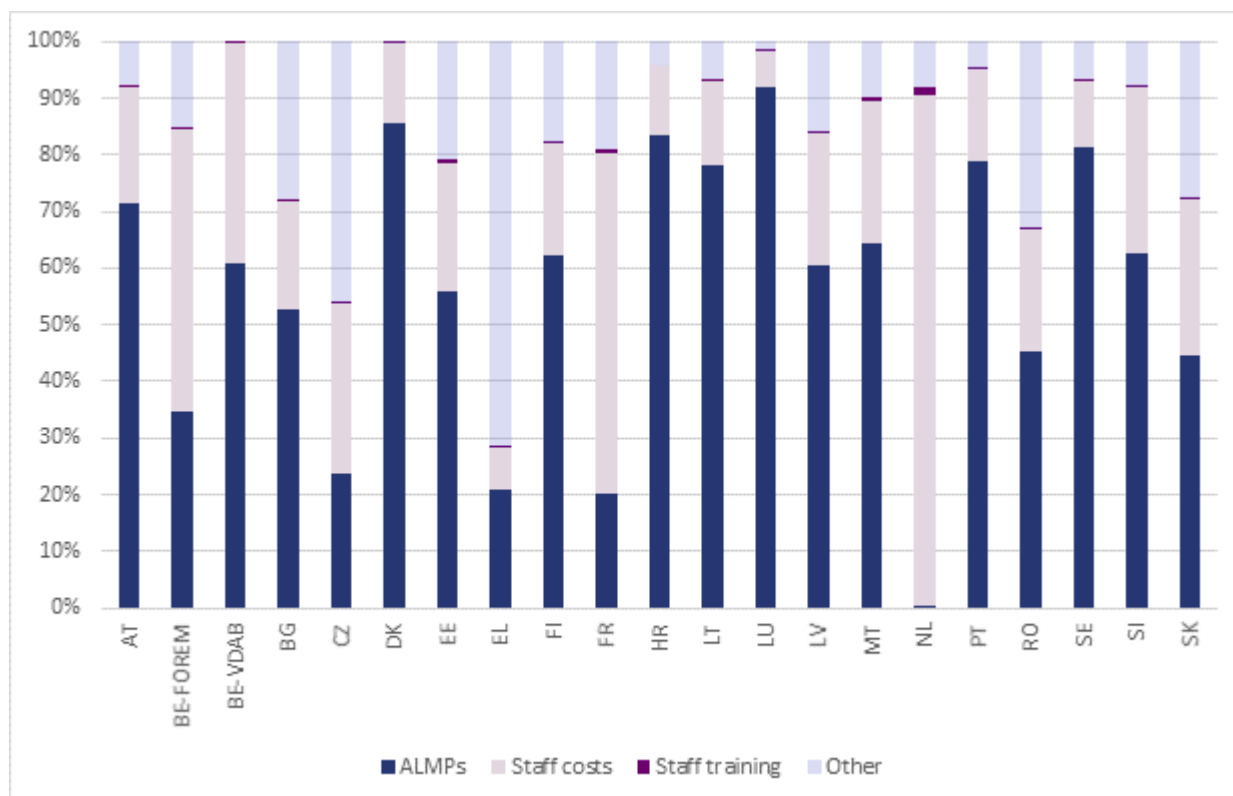
Note: Information for 22 PES. No information - or insufficient information - is available for CY, DE, ES, HU, IE, IT, IS, NO and PL.

Looking at the type of expenditure by PES¹², the average of the share spent on certain items is a telling indicator. PES on average spent 56.2% on ALMPs, 26.7% on staff costs, 0.2% on staff training, and 16.9% on 'other' expenditure.

This year information from three more PES became available. All three (EE, EL and RO) have relative high shares of 'other' expenditure, which lowered the share for ALMPs. Without these three PES, the overall spending of money according to type of expenditure would have changed very little. If anything, the share of ALMPs might in reality have increased, as in four PES (BG, CZ, FI and LV), the share of 'other' expenses increased substantially, exerting a downward pressure on the average share of ALMPs.

¹² I.e. the 21 PES where information on the various expenditure items in 2018 is available, excluding benefit payments and *pro forma* budget items from the analysis.

Figure 5. Expenditure by item in 2018, as a percentage of total expenditure excluding benefit payments and *pro forma* budget items



Source: Annual PES Benchmarking Data Collection.

Note: Information for 21 PES. No information - or insufficient information - is available for BE-Actiris, CY, DE, ES, HU, IE, IS, IT, NO and PL.

Further analysis shows that the share of the budget spent on ALMPs is *not* explained by the size of the budget the PES has available, by whether the PES also manage benefit payments, nor by the unemployment rate. The following table provides information on the division of expenditure between various budget items. The outcomes should be treated with caution, as more information and further analysis is required to draw conclusions from these figures.

Table 3. Expenditure by item in 2018, as a percentage of total expenditure, excluding benefit payments and *pro forma* budget items, for PES showing differing responsibilities on benefit administration

	ALMPs	Staff costs	Staff training	Other	UR 2018*
PES with no responsibilities regarding benefit payment					
BE-Forem	34.7%	49.9%	0.1%	15.3%	6.0% (BE)
BG	52.6%	19.3%	0.1%	28.0%	5.2%
FI	62.1%	19.8%	0.2%	17.9%	7.4%
LT	78.2%	14.9%	0.0%	6.8%	6.2%
LV	60.3%	23.3%	0.1%	16.3%	7.4%
MT	64.3%	25.2%	0.5%	9.9%	3.7%
NL**	0.4%	90.2%	1.2%	8.2%	3.8%
PES only responsible for unemployment benefits					
FR	20.0%	60.3%	0.6%	19.0%	9.1%
HR	83.6%	12.3%	0.0%	4.1%	8.4%

	ALMPs	Staff costs	Staff training	Other	UR 2018*
PT	78.8%	16.5%	0.0%	4.7%	7.0%
SI	62.4%	29.5%	0.2%	7.9%	5.1%
PES responsible for unemployment benefits as well as other benefits					
AT	71.6%	20.4%	0.4%	7.6%	4.9%
CZ	23.8%	29.8%	0.0%	46.3%	2.2%
EE	55.7%	22.7%	0.7%	20.9%	5.4%
EL	21.0%	7.2%	0.0%	71.8%	19.3%
LU	92.0%	6.2%	0.0%	1.8%	5.5%
RO	45.4%	21.4%	0.0%	33.3%	4.2%
PES only administering other benefits					
BE-VDAB	60.8%	39.0%	0.1%	0.1%	6.0% (BE)
DK	85.7%	14.0%	0.0%	0.3%	5.1%
SE	81.3%	11.8%	0.3%	6.6%	6.3%
SK	44.7%	27.6%	0.0%	27.7%	6.5%

* Unemployment rate 2018, <https://ec.europa.eu/eurostat/web/lfs/data/main-tables>. Unemployment rates represent unemployed people as a percentage of the active population, downloaded on 11/04/2019.

** ALMPs where municipalities are responsible are not included in the PES budget.

Source: Annual PES Benchmarking Data Collection.

Note: Information for 21 PES. No information - or insufficient information - is available for BE-Forem, CY, DE, ES, HU, IE, IT, IS, NO and PL.

4.2. Human resources

4.2.1. Total staff numbers and developments between 2014 and 2016

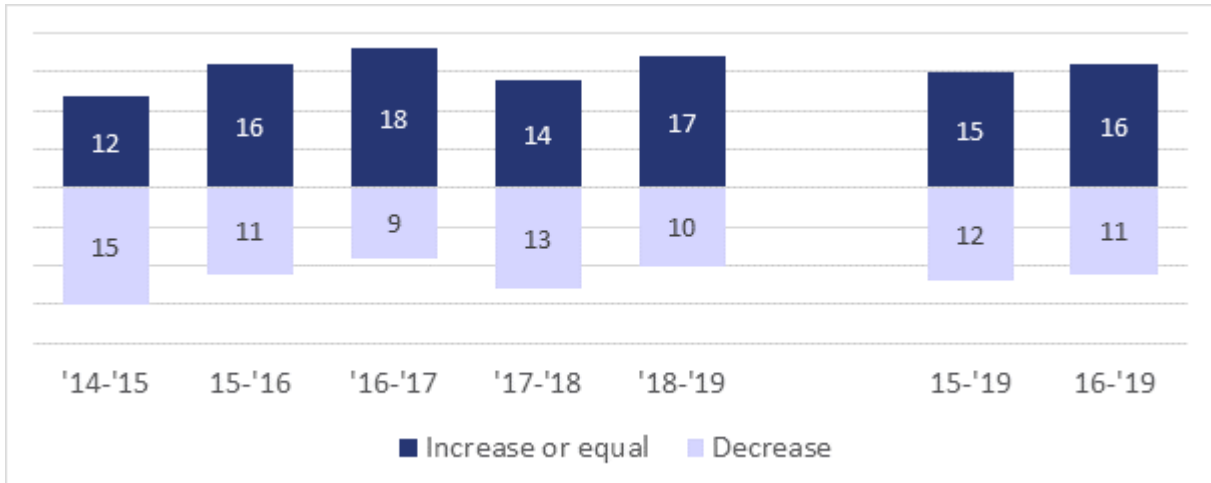
Information on total staff numbers is available for 27 European PES, excluding IE, IT, NO and PL where not enough data was available. Collectively, the total PES staff, measured in Full-Time Equivalent (FTE)¹³, has now been decreasing for three years; starting with a 0.2% decrease between April 2016 and April 2017¹⁴, followed by 1.2% and 1.4% decrease in the last two years.

Countries with decreasing or stable staff numbers include the largest PES. This explains why, in spite of the overall trend, the number of PES with increasing staff numbers over the past 12 months was somewhat higher April 2019 than in the previous year.

¹³ Full-Time Equivalent is a unit of account used to express the size of a workforce. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees. It is calculated as the ratio of the total number of paid hours during a period (part-time, full time, contracted) to the number of working hours in that period (Monday to Friday).

¹⁴ Data on staff numbers refers to the situation on April 30 in a given year, with the exception of staff turnover and changes implemented or foreseen that affect staff changes.

Figure 6. The number of PES experiencing an increase or a decrease in staff (in FTE) between 2014 and 2018 (30 April)

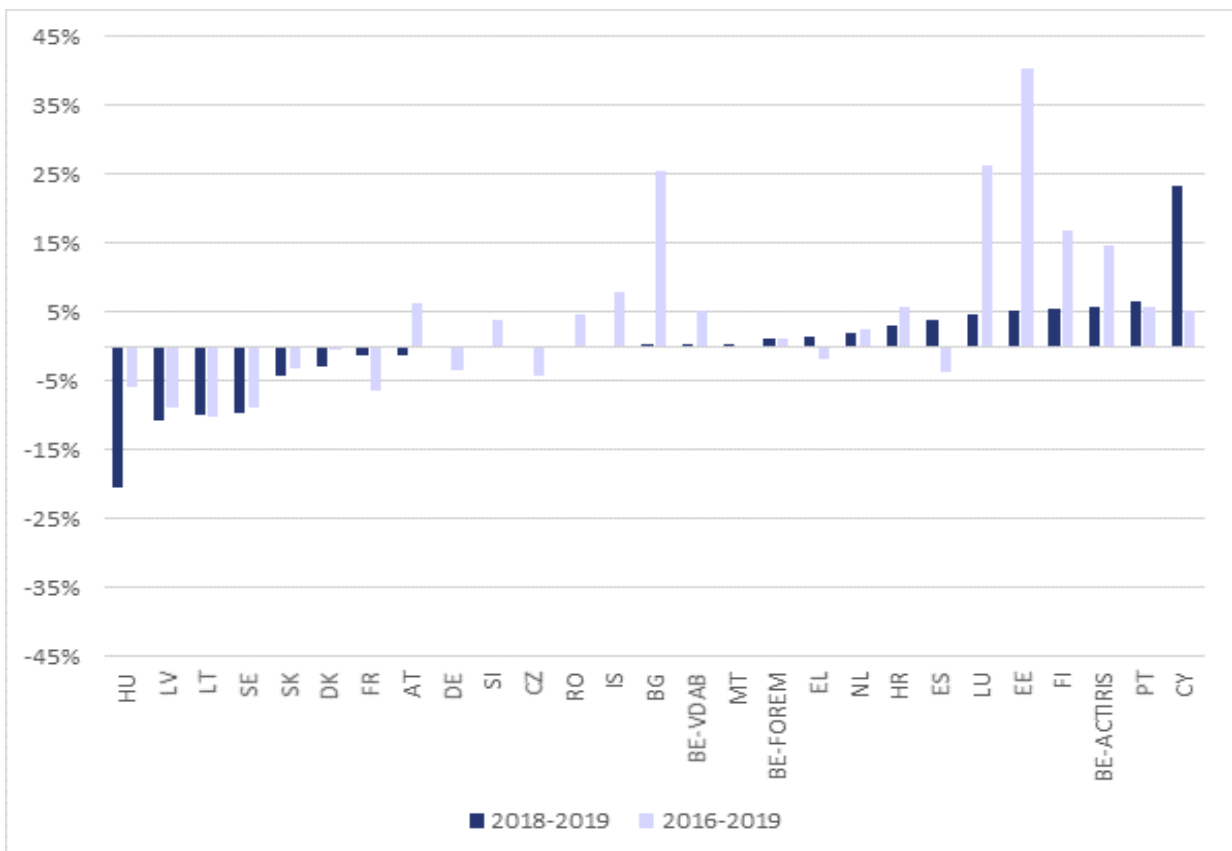


Source: Responses to PES Capacity Questionnaires, 2015-2019.

Note: Based on 27 PES, no information - or insufficient information - is available for IE, IT, NO and PL. All data refer to 30 April or the closest date to this date where data were available.

For many PES the development in staff numbers since April 2018 is in line with the trend over the three years since 2016. Only four PES saw declining (AT and SI) or increasing (EL and ES) staff numbers last year against an opposite longer-term three year trend. There is a strikingly large middle group of PES with virtually no change in staff numbers. Most of these had experienced slight increases over the past three years.

Figure 7. Percentage change in the number of staff last year, April 2018 - April 2019 and longer-term trends, April 2016 - April 2019



Source: Responses to PES Capacity Questionnaires, 2016-2019.

Note: Information for 27 PES, no information - or insufficient information - is available for IE, IT, NO and PL. All data refer to 30 April or the closest date to this date where data were available.

Thirteen PES planned to implement staff increases in 2019, while nine planned decreases this year. Of these, the Estonian PES foresees both an increase and a decrease this year.

The reasons for staff reductions can be found in adjustment to external developments such as the unemployment rate, but also in internal reorganisations often related to the efficient use of resources.

Table 4. Reason for planned staff reductions in 2019

PES	Reasons
AT	A decreasing unemployment rate is the reason for staff decreases in Austria.
BE-VDAB	Staff numbers will decrease by 65 due to the centralisation of employee administration within the whole Flemish Administration.
BG	A reduction of a total of four staff members resulted from two amendments made to the Decree of the Council of Ministers № 176 / 18.07.2016 for the adoption of the Rules of Procedure of the Employment Agency, taking effect from 22.02.2019 and 19.04.2019 respectively.
DE	<p>The focus of the PES's HR policy continues to be the stability of money spent on staffing, while at the same time providing flexibility in terms of resources. Staff decreases are on the one hand due to the fact that in the basic provision for jobseekers, the needs of the jointly operated (by the municipalities and the Federal Agency) Job Centres (gE) announced for 2019 can be covered by supra-regional redeployments. In addition, 1,500 temporary posts will be cancelled. In the area of unemployment insurance, 1,200 posts will be cut on the basis of the medium-term forecasts between 2019 and 2021.</p> <p>At the same time, there are 400 'locked' positions available for the implementation of the Act on chances of participation (Teilhabechancengesetzes), as well as a further 100 positions (which were also locked), were included in PES budget for the implementation of the Federal programme 'Innovative ways to participate in working life - rehapro' (Innovative Wege zur Teilhabe am Arbeitsleben – rehapro).</p>
EE	The PES has to cut the number of jobseekers' counsellors because in some regions they had smaller caseloads.
IE	The Irish PES is required to operate within a staff ceiling figure and a commensurate administrative staffing budget, which may involve reductions in staff numbers. The ECF (Employment Control Figure) for the end of 2018 was 6,101 FTE, however, this figure now has to be reduced to 5,900 FTE by the end of 2019. The changes concern PES staff (Case Officers/AST teams) only.
LV	In 2018 measures were implemented, and were still being implemented in 2019, to ensure the effectiveness of the Latvian PES's activities, taking into account the effective use of good management principles, human resources and financial resources providing services to clients in the optimal branch network module.
SE	The Swedish PES foresees major layoffs due to their decreased budget.

Source: Responses to PES Capacity Questionnaire, 2019.

Note: No information on the reasons behind the reduction is available for SI, but the PES is expecting a decrease in staff numbers this year.

One objective when hiring more staff is the introduction or the expansion of specific services or services designed to reach specific target groups. Examples of this are the newly introduced Minimum Income Scheme (Reddito di Cittadinanza) in Italy, new services for special target groups (i.e. asylum-seekers, the LTU and disabled people) in Luxembourg, and the careers services in Estonia where the PES took over this task from another organisation. Another reason is the staffing of new projects from ESF funding, such as in Croatia and Romania.

Several PES use annual or multi-annual planning tools. In Belgium, the Walloon Human Resources planning system, for example, provides detailed staffing forecast, this year pinpointing the need for additional advisors, trainers and IT specialist.

Table 5. Reason for planned staff increases in 2019

PES	Reasons
BE-Actiris	Mostly backlog of recruitments approved last year and a new personnel plan.
BE-Forem	The 2019 the Human Resources Allocation Plan will make it possible to forecast leavers and plan for their replacement. Currently 179 fixed-term and open-ended contracts to replace leavers are planned, mainly among advisors. New reserves will also be built up on an ongoing basis to assign advisors to the Job Support Services Directions as a priority. New recruitments of trainers should also occur in September, after a 'multi-speciality' examination and then regularly throughout the year. Finally, 43 IT specialists will be recruited within the coming four years in order to decrease the number of outsourced work.
CY	Four additional PES Employment Counsellors will be hired who will be working in the PES' network of district and local Offices.
EE	At the beginning of 2019, the overall number of staff increased because of a career's services reform. The PES took over the responsibilities of another organisation so new careers counsellors joined the PES team.
EL	New staff are expected to be hired to cover existing PES needs.
ES	Incorporation of interim staff, Public Employment Offer, consolidation and stabilisation processes.
HR	This year the PES has already hired additional staff in the Office for financing and contracting of EU projects and additional staff that work on various projects financed from the European Social Fond.
IT	About 3,000 temporary staff were hired to support the management of the newly introduced Minimum Income Scheme (Reddito di Cittadinanza) by the PES. The Budget Law for 2019 provided for the allocation of resources for the 3-year period 2019-2021 to increase the number of PES staff up to 4,000.
LU	Increases accompanied reengineering of internal procedures (i.e. pre-inscription and restructuring of the PES registration process) and service offers ('e-ADEM'). Also, new services for special target groups, i.e. asylum-seekers, the LTU and disabled workers led to staff increases.
NL	Inflow of registrations of unemployment benefit recipients will lead to a higher number of FTE in 2019.
PT	More admissions are expected during the year resulting from what was approved for 2019.
RO	Staff increases will follow from contracting temporary staff under ESF funded projects, outside the PES' base organisational chart.

Source: Responses to PES Capacity Questionnaire, 2019.

Note: No information on the reasons behind the reduction is available for IS, but the PES is expecting an increase in staff numbers this year.

4.2.2. Staff turnover and the changing deployment of staff

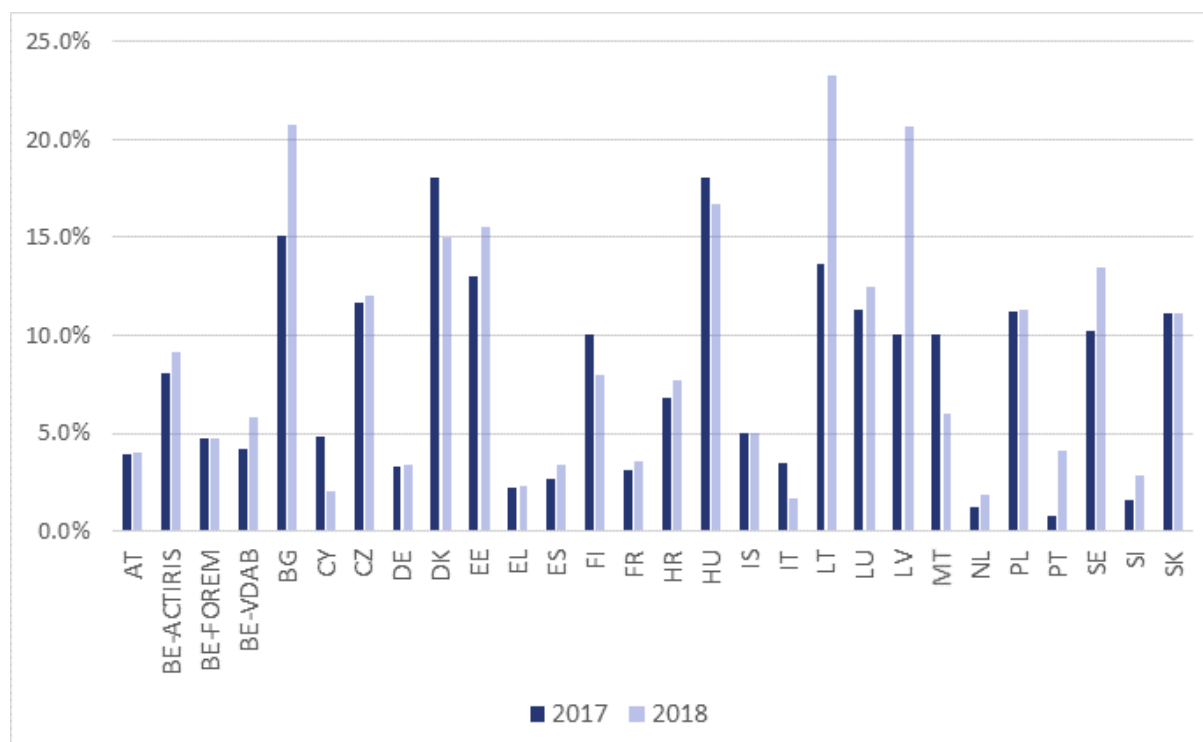
Overall, PES staff turnover rates (i.e. the proportion of total staff leaving the PES in a given year) have again increased since the year before. In the 28 PES where this information is available, the average staff turnover rate rose from 7.8% in 2017 to 8.9% in 2018.

Nineteen PES had higher turnover increases, while only six PES had lower turnover rates than the year before.

The most often mentioned reason for turnover are natural causes, specifically retirement.

Particularly high staff turnover rates were registered in 2018 in Bulgaria, Lithuania and Latvia. In Bulgaria this relative high percentage is explained by the short-term nature of the contracts concluded with the staff assigned to HRD OP (Human Resources Development Operational Programme) projects under the EU Structural Funds. In Lithuania the total number of staff was reduced by 10% (143 positions) in the framework of a structural reform.

Figure 8. Overall staff turnover in 2017 and 2018



Source: Responses to PES Capacity Questionnaires, 2018 and 2019.

Note: No information or insufficient information for IE, NO and RO. Staff turnover is defined as 'the proportion of total staff leaving the organisation over a set period of one year for whatever reason' (including retirement, leaving voluntarily, redundancy, etc.). The Hungarian PES used a different definition leading to relatively high figures.

Ten PES foresee changes in the deployment or allocation of their staff for 2019.

Re-allocations of staff are often related to specific tasks such as job search control (FR), registration profiling (LU), and work permits (SI), or to specific target groups such as the LTU (MT) or unemployment beneficiaries (NL).

In some PES re-allocation of tasks and staff follows on from structural organisational or HR policy measures. Latvia plans continue the evaluation and merging of branch offices in 2019, and in Greece the organigram is expected to change with implications for the allocation of staff. A new nomenclature of functions was introduced in January in the Walloon PES in Belgium, and they foresee further development of other mechanisms to better assess and match their needs with their human resources.

Table 6. Planned changes in deployment or allocation of staff for 2019

PES	Explanations
BE- Forem	<p>The objective is to fill all vacant positions, mainly in production or production support functions. The allocation of Human Resources should then have changed in 2019.</p> <p>In addition, as of 1 January 2019, the new nomenclature of functions and specialities was implemented within the PES. This makes it possible to meet a requirement of the Management Contract to clarify and simplify the name and areas of activity of the PES' functions to facilitate HR processes (mobility, recruitment, training, etc.) but also reporting on human resources and staff allocation in response to the PES' strategic priorities.</p> <p>Further complementary work is currently underway to define mechanisms to increase the 'production/support' ratio and more generally to define a target vision of resource allocation. This should help to create an optimal allocation of resources with regard to the PES's substantive missions. This should result, in particular, in the development of a decision-making tool that, on the one hand, better assesses the relevance of posts and assignments when staff leave, and on the other hand, supports internal staff movements.</p>
BG	There has been a change in the total number of the PES staff under the Rules of Procedure (see also table 4 above).
DE	In both areas of PES activity (unemployment insurance and minimum insurance for jobseekers), employment opportunities, i.e. posts, rather than the number of staff, are gradually being redirected in line with needs. This will be implemented over several years.
EL	Changes are expected to take place in order to cover existing PES needs, pending the implementation of the new organogram.
FR	Progressively, staff dedicated to job searching control activity, will increase from 216 to 600 (to the end of 2019).
LU	Implementation of a new service responsible for the registration and profiling of jobseekers.
LV	In 2019, it is planned to continue the evaluation and merging of branch offices.
MT	As from October 2019, Jobsplus will be taking over the LTU caseload from the private contractors.
NL	Yes, more FTE for unemployment beneficiaries.
SI	The number of staff dealing with work permits will be further increased by re-allocation of existing staff and through extra working hours.

Source: Responses to PES Capacity Questionnaire, 2019.

Note: No information is available for IE, IS and NO.

4.2.3. Dedicated employment counsellors for tailored support

Front office staff in PES carry out roles relating to matching, counselling, advising, and training and so on.

For most PES, the share of front office staff was similar to last year (April 2018). In Cyprus alone, the share of front office staff out of total staff substantially increased from 74.4% to 90.1%. In Hungary, on the other hand, the front office staff share decreased from 83.9% to 53.9%, but this is largely due to the fact that since March 2019 job descriptions of staff have been replaced by 'indications' of positions. As a result, staff are assigned to perform varying tasks. In the Irish figures the share also reduced dramatically, but this was also due to different counting.

The average share of PES staff directly in contact and dealing with clients amounts to 61.8%¹⁵. Most of the PES have more than 50% of staff working in the front office, while eleven PES have above 70% (AT, BG, CY, FI, FR, LT, LV, NL, SE, SI and SK).

PES with no responsibilities for benefit payment on average have a higher share of their staff working directly with clients. The fact that the administration of unemployment benefits requires more back office work related to evaluating claims, calculating benefit levels and so on, may partially explain why, on average, in the PES with substantial benefits-payment responsibilities a larger share of the staff is not directly in contact with clients. However, as can be seen in the table, the picture is not uniform across PES.

Table 7. Proportion of front office staff in PES with different responsibilities for benefits, April 2019

None	%	Only Unemployment Benefits (UB)	%	UB and other benefits	%	Only other benefits	%
BE-Actiris	57.1	DE	29.5	AT	76.7	BE-VDAB	65.5
BE-Forem	52.0	FR	74.8	CZ	43.2	SE	74.2
BG	81.7	HR	61.8	EE	59.7	SK	89.5
CY	90.1	PL	37.9	EL	47.2		
FI	92.0	PT	34.1	ES	61.9		
IT	30.2	RO	69.9	IS	61.9		
LT	72.3	SI	71.7	LU	71.1		
LV	79.8	NL	84.2				
MT	67.3						
Average	69.2		58.0		58.6		75.8

Source: Responses to PES Capacity Questionnaire, 2019.

Note: Information for 27 PES, no information or insufficient information on DK, IE, HU, and NO.

Front office staff can be assigned to work with all clients or all visitors, but a majority of the PES also assign teams or staff office workers to specific groups.

The Flemish and the Romanian PES are the only PES known never to assign specialist front office staff to specific groups. It is also rare for PES to have counsellors servicing both jobseekers and employers, but this is the case in two PES (FI and PL). A small group of PES assign counsellors to *either* jobseekers *or* employers, not the two combined (CZ, DE, IE and NL). The remaining PES represent the typical model for providing targeted front office services, namely the use of specialised counsellors for specific groups, notably jobseekers or employers, as well as counsellors dealing with both groups.

¹⁵ For 27 PES, no information or insufficient information for DK, IE, HU and NO.

Table 8. Front office staff targeting specific groups, April 2018

	Y/N targeting	Employers	Jobseekers	Both*
Yes	AT, BE-Actiris, BE-Forem, BG, CY, CZ, DE, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, NL, PL, SE, SI and SK (25)	AT, BE-Actiris, BE-Forem, BG, CY, CZ, DE, EE, EL, FR, HR, HU, IE, IS, LT, LU, LV, MT, NL, SE, SI and SK (22)	AT, BE-Actiris, BE-Forem, BG, CY, CZ, DE, EE, EL, FR, HR, HU, IE, IS, LT, LU, LV, MT, NL, SE, SI and SK (22)	AT, BE-Actiris, BE-Forem, BG, CY, EE, EL, FI, FR, HR, HU, IS, LT, LU, LV, MT, PL, SE, SI and SK (20)
No	BE-VDAB and RO (2)	BE-VDAB, FI, PL and RO (4)	BE-VDAB, FI, PL and RO (4)	BE-VDAB, CZ, DE, IE, NL and RO (6)

* PES that have counsellors, or teams, that service employers and jobseekers, but not other clients that come looking for information or assistance.

Source: Responses to PES Capacity Questionnaire, 2019.

Note: Information for 26 PES, no information or insufficient information on DK, IT, NO and PT, and ES only had 'Yes/No targeting'.

5. Active labour market policies used by PES

5.1. Recent developments in ALMPs

Twenty-two PES reported the introduction of new ALMPs, and 20 PES reported amending existing ALMPs to better respond to labour market conditions in 2018. The average number of newly introduced measures per PES introducing new measures (2.9) was slightly higher than the average number of measures altered by PES that made these changes (2.7).

Sixteen PES both introduced new ALMPs and made changes to existing measures. Four PES saw no changes at all in their ALMPs (Table 9).

Table 9. New ALMPs introduced - or existing ones modified - in 2018

PES	New	#	Modified	#	both	Neither
AT	N	n/a	Y	1	0	0
BE-Actiris	Y	3	N	n/a	0	0
BE-Forem	Y	1	Y	1	1	0
BE-VDAB	Y	3	Y	6	1	0
BG	Y	1	Y	8	1	0
CY	Y	1	N	n/a	0	0
CZ	Y	1	Y	1	1	0
DE	Y	4	N	n/a	0	0
DK	Y	3	Y	1	1	0
EE	N	n/a	Y	1	0	0
EL	Y	15	Y	10	1	0
ES	Y	1	N	n/a	0	0
FI	Y	2	Y	1	1	0
FR	Y	5	Y	3	1	0
HR	Y	2	N	n/a	0	0
HU	N	n/a	N	n/a	0	1
IE	Y	1	Y	1	1	0
IS	N	n/a	Y	3	0	0
IT	Y	6	Y	2	1	0
LT	N	n/a	N	n/a	0	1
LU	Y	2	Y	1	1	0
LV	Y	1	Y	2	1	0
MT	N	n/a	N	n/a	0	1
NL	Y	1	Y	1	1	0
PL	N	n/a	N	n/a	0	1
PT	Y	1	Y	2	1	0
RO	N	n/a	Y	4	0	0
SE	Y	1	Y	3	1	0
SI	Y	6	Y	1	1	0
SK	Y	2	N	n/a	0	0
Totals ('yes' or numbers)	22	63	20	53	16	4

Source: Responses to PES Capacity Questionnaire, 2019.

Note: n/a = not applicable. 30 PES in this Table as there is no information available for Norway.

Young people are still an important target group for new measures. About one in four of the new measures are directed at young people, and about one in six are directed at the

LTU. The number of new measures for older people or inactive people is only slightly smaller than the number for the LTU.

However, measures may target several groups simultaneously. The Bulgarian PES for example introduced the 'Job Project' under the EU Structural Funds operational programme for HRD (Human Resources Development). The project targets unemployed and inactive people, with priority being given to the registered LTU, and also to the newly registered unemployed (formerly economically inactive people) who, according to information from the National Revenue Agency, have not worked during the previous 12 months. BE-VDAB developed an 'Acceleration Plan' to speed up the integration process for the LTU and economically inactive people in Flanders. The new model uses segmentation of clients to support them more efficiently. Italy introduced no less than six new measures aimed at activating NEETs. Four of these also targeted the LTU.

A series of measures to activate NEETs and the LTU in Italy

The Italian PES launched a number of initiatives to increase the labour market integration of young people and the LTU. The measures particularly targeted the southern regions and the regions 'in transition', where such support is most needed. The package covers a variety of measures and sectors.

The measures seek to address multiple issues preventing young people or the LTU from entering the labour market. They range from the creation of apprenticeships and access to technical education (a driving force for economic development in strategic areas), to a pilot project to create financial instruments for social impact investments. Two further measures specialise in ICT (Information and Communication Technologies) and digital skills: one enhances the digital competences of NEETs and introduces them to small and medium-sized companies backing up their digital innovation skills. Another one is a national programme called 'Young Programmer in ICT', which promotes highly specialised training classes, vocational services and job placements for Java Programmers, 'Junior' Web Developers, 'Junior' Mobile developers and 'Junior' Data Scientists. A final measure aims at developing an integrated model of intervention in support of employment for the unemployed and jobseekers. The Italian measures are part of the EU's Youth Employment Initiative (YEI).

Source: Responses to PES Capacity Questionnaire, 2019.

Several new measures were introduced to people with specific education and skills.

Some measures addressed the problems of low skills or low qualifications (BE-Forem, EL, and HR). The French PES offers digital inclusion support for jobseekers who are considering entering a digital upskilling course. It also has a specific programme to help jobseekers decide on the most suitable and most realistic training path in preparation of the actual entry onto a course.

Amongst the 15 new measures introduced in Greece are three programmes that specifically target the integration of university graduates into the labour market. One programme targets the recruitment of unemployed university and technological institute graduates aged 22-29 into government Ministries and supervised public bodies. Another recruitment incentive programme targets the hiring of young university and technological institute graduates into general employment and the third targets the integration of these graduates up to age 39 into the 'smart specialisation' and 'productive activity' sectors.

In addition, Germany and Finland initiated more structural measures to support the impact of training and education.

The German PES has an instrument for people working in educational and vocational guidance to more quickly identify young people who are likely to drop-out and to offer them effective counselling and support measures. The College (Hochschule) of the Federal Employment Agency is responsible for an instrument for the prevention of early terminations of apprenticeships.

In Finland degree-based labour market training shifted from the Ministry of Economic Affairs and Employment (MEAE) to the Ministry of Education and Culture. The objective of

the reform is to better respond to the changes occurring in working life, and to meet future skills needs.

The table below shows the continued importance of training and employment initiatives among new measures as well as amended measures. However, about one fifth of new and adjusted ALMPs *combine* various types of measures. It is important to notice that employment incentives are the dominant factor in this category of 'other' measures. Taking this into account, the difference between training and employment incentives becomes much smaller for new ALMPs, and employment incentives are the type of ALMPs most frequently newly introduced or amended.

Table 10. Types of new or amended ALMPs in 2018

ALMP type	New ALMPs	%	Amended ALMPs	%
2. Training	28	44.4%	18	34.0%
4. Employment incentives	15	23.8%	17	32.1%
5. Sheltered and supported employment and rehabilitation	2	3.2%	4	7.5%
6. Direct job creation	2	3.2%	3	5.7%
7. Start-up incentives	4	6.3%	1	1.9%
Other (mostly <i>combinations</i> of types of measures)	12	19.0%	10	18.9
Total	63	100%	53	100%

Source: Responses to PES Capacity Questionnaire, 2019.

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 is therefore missing from this table.

5.2. The deployment of active measures for specific client groups

This section explores the types of ALMPs that the PES offer to various targets groups. These include the measures discussed in the previous section.

Training and employment incentives remain the type of measure most often used for all target groups, supplemented by supported employment and rehabilitation for the disabled. Nevertheless, direct job creation and start-up incentives are also used quite often for most groups and somewhat more than last year.

Overall, PES use a larger variety of measures for young people and the long-term unemployed than they do for older workers, people with disabilities, and refugees.

Table 11. Types of measures primarily used for target groups in 2018

ALMP type	Young people	Long-term unemployed	Older workers	People with disabilities	Refugees
2. Training	AT, BE-Actiris, BE-Forem, BE-VDAB, BG, CY, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, NO, PL, PT, RO, SE, SI and SK (29)	BE-Actiris, BE-Forem, BE-VDAB, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, NO, PL, PT, SE, SI and SK (28)	BE-Actiris, BE-VDAB, BG, CY, CZ, DE, DK, EE, EL, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, NO, PL, PT, SI and SK (24)	AT, BE-Actiris, BE-VDAB, BG, CZ, DE, DK, EE, EL, FI, HR, HU, IE, IS, LT, LU, LV, MT, NO, PL, PT, SE, SI and SK (24)	AT, BE-Actiris, BE-Forem, BE-VDAB, BG, CZ, DE, DK, EE, EL, FI, FR, HR, IE, IS, LT, LU, LV, MT, PL, PT, SE and SI (23)
4. Employment incentives	BE-Actiris, BE-Forem, BE-VDAB, BG, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (26)	AT, BE-Actiris, BE-VDAB, BG, DE, DK, EE, EL, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (25)	AT, BE-Actiris, BE-VDAB, BG, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SI and SK (25)	BE-Actiris, BE-VDAB, BG, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (24)	BE-Actiris, BE-VDAB, BG, DE, DK, EE, FI, HR, IE, IS, LT, LU, LV, MT, PL, PT, and SE (17)
5. Sheltered and supported employment and rehabilitation	BG, CZ, ES, FI, HU, LV, SE and SK (8)	AT, CZ, DE, DK, EE, ES, FI, FR, HU, LT, LV, SE, SI and SK (14)	CZ, DE, DK, FI, HU, LT, LV and SK (8)	AT, BG, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, NO, PT, SE, SI and SK (23)	CZ, FI, IE, LT, LU, LV, and SE (7)
6. Direct job creation	BE-Actiris, BG, CY, CZ, EE, EL, ES, FI, HR, HU, IE, IT, LT, LU, LV, PL, PT, SI and SK (19)	AT, BE-Actiris, BE-Forem, BG, CZ, DE, EE, EL, ES, FR, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, SI and SK (22)	AT, BE-Actiris, BE-Forem, BG, CY, CZ, EL, HR, HU, IE, LT, LU, LV, PL, PT, SI and SK (17)	BE-Actiris, BG, CY, CZ, DE, EL, HR, HU, IE, LT, LU, LV, MT, PL, PT, SI, and SK (17)	BE-Actiris, BG, CY, CZ, HR, LT, LU, LV, PL, and PT (10)
7. Start-up incentives	BE-Actiris, BE-Forem, BG, CZ, EE, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, NO, PL, PT, SE, SI and SK (21)	BE-Actiris, BG, DE, EE, ES, FI, FR, HR, HU, IE, IS, LU, LV, NO, PL, PT, SE and SK (18)	BE-Actiris, BG, CZ, EE, FI, FR, HR, HU, IE, IS, LU, LV, NO, PL, PT and SK (16)	BE-Actiris, BG, CZ, DE, FI, FR, HR, HU, IE, LT, LU, LV, NO, PL, PT, SE and SK (17)	BE-Actiris, FI, HR, IE, IS, LU, LV, PL, PT and SE (10)

Source: Responses to PES Capacity Questionnaire, 2019.

Note: No information - or insufficient information - is available for NL and NO. 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.

6. Target setting

6.1. Strategic targets in PES

In total, 24 PES defined strategic targets for 2018, e.g. in their annual business plans. The main targets reported vary in number from two or three in Denmark and Wallonia, to 24 in Bulgaria and 48 reported by the Flemish PES.

In Denmark, where the ALMPs are decentralised, there are only a few *nationwide* targets, as the *municipalities* decide which targets and indicators they wish to put in their employment plans. BE-Forem revised its targets to reflect the priorities of their Minister, their importance and the feasibility of reaching some of them. BE-Forem monitors progress and performance through a large number of indicators but it only sets targets for a selected few.

The Bulgarian PES, on the other hand, has developed a new series of indicators to evaluate their performance in line with the PES Network's Benchlearning methodology. The performance indicators the Flemish PES (VDAB) uses depart from traditional 'critical success' factors, and the desired effects are then further detailed into indicators for specific sub-groups and time periods, etc. A new set of indicators will be introduced in the future.

Table 12. Selected characteristics of strategic targets set by PES for 2018

PES	# targets	Vacancies	LTU	Youth
AT	6	1		1
BE-Forem	4	1		1
BE-VDAB	48	1		1
BG	24		1	1
CY	6			
CZ	4		1	
DE	18	1	1	
DK	3			
EE	14		1	
FI	9			1
FR	14	1		
HR	17		1	1
HU	1			
IE	6		1	
IS	8		1	
LT	13		1	
LU	14			
LV	8	1		
MT	18	1	1	
NL	14		1	
PT	16	1		
RO	14	1	1	
SE	9	1		1

PES	# targets	Vacancies	LTU	Youth
SI	12	1	1	1
# PES	24	11	12	8

Source: Responses to PES Capacity Questionnaire, 2019.

Note: classification of targets performed afterwards by the author. In seven PES no targets were set for 2018 (BE-Actiris, EL, ES, HU, IT, PL and SK). No information was available for Norway.

6.2. Areas for strategic targets

Important categories of targets were those related to vacancies, the LTU, and young people (Table 12 above). For each of these groups, different target areas can be distinguished corresponding to the type or level of objectives the PES formulated in their strategies.

Targets for vacancies measure:

- **Vacancy registration with the PES:** The number of vacant positions that employers declare to the PES (LV and PT). LV also has an additional target for the percentage of all vacancies registered by employers via the 'CV and vacancy' portal. Slovenia sets targets for the market share of the PES among all job vacancies in the country;
- **Vacancy filling:** The share of vacancies filled (BE-VDAB, FR, RO and SE), the number of successfully filled vacancies in SMEs (DE), and the share of job vacancies notified to the PES where employers also seek active recruitment support (SI);
- **Speediness of response or service delivery:** The Swedish PES measures this by the proportion of employers registering a vacancy at the PES who respond that the PES contributed to their getting a faster or better recruitment process. The Maltese PES uses as a target the share of employers that are offered suitable candidates within 48 hours of their notification of a vacancy to the PES.

Targets for the LTU cover:

- **Participation in services and ALMPs:** The number of LTU included in training (BG), recruitment incentives (CZ), labour market services (EE), motivation/activation counselling (HR), JobPath (IE), the number of Unemployment Insurance claimants receiving a suitable job offer shortly after passing 12 months of unemployment (NL), a Job Integration Agreement (RO) and ALMPs (SI);
- **Long-term unemployment itself:** Duration of unemployment of people who have received unemployment benefit and those who have not (DE, IS and MT), and persistence/exit rates (IE);
- **Labour market (re-)integration:** The actual transition into employment (IE, LT, MT, RO and SI);
- **Sustainable employment:** Sustainable employment of people under age 45 with a long-lasting unemployment period of over one year (AT), and transition to sustainable employment on a primary market for long-term unemployed (BG).

The target areas for young people include:

- **Receipt of services and participation in ALMPs:** Young unemployed (under age 25) for whom the service level was determined 4 months after inflow (BE-VDAB), completion of the 'New Opportunities for Youth Employment' Project (BG), and young people who at some point during 90 days from the beginning of their unemployment had an offer of a job, further education or an employment programme/service (SE);
- **Duration of unemployment:** Keeping youth unemployment periods short, e.g. no longer than three (FI) or six months (AT);

- **Employment:** Insertion rate (BE-Forem), young people who started work after taking part in job fairs or the 'Prepared for a Job Project' (BG and SI), the integration of registered NEETs into the labour market within four months of registration (HR);
- **Sustainable employment:** Transitions in sustainable employment of young people up to age 29 (BG).

6.3. Types of targets set

The targets discussed so far include process as well as outcome targets. Outcome targets in turn include outputs as well as result targets. Both are discussed in this section.

Process targets

There is an overlap between process indicators and output indicators. This is particularly the case for process targets that directly monitor the way services are delivered to clients.

Service delivery

Various PES have created targets to improve the quality of their services. In Flanders, VDAB seeks to provide a service **within five days** that offers help to employers requesting support. The Maltese PES aims to reduce the time it takes (measured by the number of weeks) to process applications for **issuing work permits to immigrants**. The French PES formulated **various targets** including, firstly for the shares of first benefit payments completed within the legal deadline, secondly for legally validated decisions regarding benefit payments, and thirdly for the time dedicated for individual support to jobseekers. The Irish targets include an increase in the **frequency of one-on-one meetings** from six meetings per year to 12 meetings per year for clients with a low probability of exiting unemployment and for LTU clients. The number of **service hours worked on behalf of an average client per year** was one of the Dutch PES's targets for 2018.

Three PES set targets for the use of digital services – **services offered electronically** (BG), the share of **documents that can be filled in or provided electronically** (LT), and the use of their vacancy portal and the number of **'remotely-serviced' customers** (LV).

In Cyprus, the PES elaborated a set of indicators and targets to guide and monitor the work of their employment counsellors. In employer relations, the first target was that **each week a team interview** between an employer (with a vacancy) and a number of unemployed people who satisfied the requirements of the vacancy was set up in every district office between September 2018 and January 2019. The second target related to the number of contacts with employers per district office in the same period. In addition, **targets were set for working with the most vulnerable clients** (see text box below for details).

Target setting for counsellors' work actions and workload in Cyprus

One of the main objectives for the September 2018-January 2019 period in Cyprus, was to set a 'bottom line' for the number of vulnerable unemployed people that each employment counsellor had to work with intensively, using individualised counselling. To achieve this, a coherent interrelated group of targets was defined. Firstly, a target of 48 clients was set as the **number of vulnerable clients** (either GMI - Guaranteed Minimum Income, recipients, or young people), that a counsellor had to work with. Secondly, an IAP (**Individualised Action Plan**) was to be agreed with each of the clients. Thirdly, five **individual sessions** were to be held (240 sessions in total), during which the counsellor had to refer the unemployed person to at least two or three vacant jobs or training possibilities (making 12 **referrals** for each unemployed person – a total of 576 referrals). Finally, each employment counsellor had to **follow up all their referrals to secure, reliable and clear results** in the programme. It is the PES's belief that by setting clear, measurable and comparable targets for each counsellor, it was easier to change old attitudes and establish new attitudes, and change perceptions and culture in a way that leads to the proper and most productive way of providing services for clients within the policy framework.

Source: Responses to PES Capacity Questionnaire, 2019.

Improving conditions for services to employers and clients

Intensifying the co-operation between the employment department and the 'non-insurance' social benefit departments was one of the objectives of the Czech PES. The indicator and the target both related to the active referral of social benefit recipients to the PES to receive assistance getting back to work. The effects are measured by a reduction in the number of unemployed people in material need, and changes in their dependence on the social benefits system. The PES aims to introduce a counselling tool in cooperation with the municipalities.

The Luxembourg PES sets a target for establishing collaboration agreements with individual companies or sectoral associations (who are important recruiters in Luxembourg). Another target for 2018 was to establish and update a list of professions facing bottleneck vacancies – this was a collaboration between employers' associations and the PES.

The Lithuanian PES sets targets on the share of the Employment Fund money that is used to finance vocational training measures for target groups that cannot participate in ESF projects, as well as targets for the preparation of a structural reform that was to be completed by 30 September 2018.

Other PES formulated targets for their quality assurance procedures. While the German PES set targets based on an index of process quality, in 2018 the Lithuanian PES set a target on the schedule to implement a quality management system.

Outputs and results targets

24 PES set strategic targets for 2018, and 15 of these PES included targets for the results they intended to achieve in the employment situation of their clients. Three quarters of the PES setting targets also included indicators for outputs monitoring services delivered, inflow into ALMPs, and, in some instances, participants benefitting from ALMPs.

A margin of error needs to be assumed here, as an exact classification of targets can only be properly done if the objectives and the accompanying 'intervention logic' are taken into account. Also, some PES have very detailed targets, e.g. the satisfaction levels of many specific client groups. This can result in a higher number of targets for processes, thereby lowering the share of the results targets out of the total number of targets.

Table 13. Types of targets set by PES for 2018

PES	Process	Outputs*	Results*	SoE*
AT				1
BE-Forem		1	1	
BE-VDAB	1	1		1
BG	1	1	1	1
CY	1	1		
CZ	1	1		
DE	1	1	1	1
DK		1		
EE		1	1	1
FI			1	
FR	1	1		1
HR		1		
HU			1	
IE	1	1	1	
IS				1
LT	1	1	1	
LU	1	1		
LV	1	1	1	
MT	1	1	1	
NL	1	1	1	
PT		1	1	
RO		1	1	
SE			1	
SI			1	
# PES	12	18	15	6

* Results or impacts in terms of employment, the sustainability of employment (SoE) of former clients, outputs in terms of services delivered, inflow into ALMPs, or participants completing ALMPs.

Source: Responses to PES Capacity Questionnaire, 2019.

Note: The classification of targets took place afterwards. For seven PES (BE-Actiris, EL, ES, HU, IT, PL and SK) no targets were set for 2018. No information was available for Norway.

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