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Foreword

In the present situation where Europe and the rest of the world is facing financial crisis, stagnating consumption and growing unemployment, the need to prevent that European families end up in long-term unemployment and poverty is more pertinent than it has been for decades. At the same time, fierce international competition requires that companies adapt rapidly to changes in market conditions and technology. This requires flexible labour markets but also an adaptable workforce.

Therefore, the pursuit of policies that support income security as well as labour market flexibility is more relevant than ever. Such efforts are currently discussed under the heading of 'flexicurity'. In 2007, on behalf of the European Council the European Commission together with the Member States and the social partners developed a set of common principles for flexicurity. These principles address the policies and measures involved as well as the involvement of stakeholders.

Following the adoption of these principles, the next step is implementation, and here the Public Employment Services have a decisive role to play. Flexicurity means that secure and efficient labour market transitions should be given increased attention. This gives specific significance to the role of the Public Employment Services as a mediator who acts in partnership with employers, employees, benefit organisations, private employment services and lifelong learning institutions.

The European Public Employment Services are aware of the new focus on their services, and they have actively expressed their commitment to strengthen their efforts to support Flexicurity strategies in the Member States.

In order to underpin these efforts, DG Employment, Social Affairs and Equal Opportunities, Unit 'Employment Services, Mobility' in 2008 launched a study on the role of the Public Employment Services in implementing flexicurity. The study was to map the actual roles of Public Employment Services in a Flexicurity perspective but also to provide inspiration in the form of good practises in relation to Flexicurity. The results of the study are presented in this report. The mapping demonstrates that the European Public Employment Services are adopting a wide variety of strategies and measures that support Flexicurity. Further that good practises can be identified which underpin all aspects of Flexicurity, from systems and procedures to make matching of jobs more efficient to enhanced collaboration with social benefit systems to improve the chances of people outside the labour market.

We are pleased to present these results and trust that they will serve as inspiration for the Public Employment Services that have themselves delivered the most important input for the study. We would like to take this opportunity to thank the Public Employment Services of the 27 Member States, Norway, and Iceland very much for contributing their insight and experience to the study. In particular, we would like to thank the Assistants to the Heads of PES and other representatives of PES, as well as representatives of PES' partners and stakeholders who took time to reply to the survey questionnaires.

Executive summary

The overall objective of this study is to underpin the discussion on how the European Public Employment Services can contribute to the implementation of flexicurity in the EU, Norway, Iceland and Liechtenstein. The study is set in the context of the PROGRESS programme and is a part of the 2007 Plan of Work contributing to the achievement of the Lisbon Strategy and the European Employment Strategy.

Flexicurity has attracted much political attention during the last years, because it constitutes a compelling policy configuration, asserting that it is possible to achieve macroeconomic goals while ensuring a high level of social security and lifelong learning. The core components of flexicurity are flexible and reliable contractual arrangements, modern social security systems, comprehensive lifelong learning strategies, and active labour market policies (ALMP).[1] The actual composition of the flexicurity components vary across countries due to the institutional diversity of the countries' labour markets, social security systems, lifelong learning, and economy.

Employment services are crucial in facilitating transitions in the labour market, and thus the Public Employment Services (PES) play a unique role in the implementation of flexicurity. The study seeks to inform the discussion on how PES can contribute to flexicurity. The following objectives have guided the study:

- To create an analytical framework for how PES can contribute to flexicurity
- To map how PES pursue flexicurity practises in relation to jobseekers, employers, and inactive groups
- To map how PES pursue flexicurity practises in relation to other actors and its internal organisation
- To map the structural conditions required for the implementation of flexicurity
- To identify good practise cases on how PES can contribute to the implementation of flexicurity
- To create recommendations to PES and policy makers on how PES can improve their active role if flexicurity is applied

The mapping of flexicurity practises is based on information from PES, and thus does not purport to be an exhaustive description of PES practises, nor does it assess implementation efficiency.

The overall conclusion of the study is that European PES have largely adopted proactive and preventive approaches to the delivery of employment services, and that these practices are conducive for flexicurity. This, taken together with PES' position as a mediator and hub of in-

[1] These four components were included in the January 2006 Annual Progress Report. The 2007 Joint Employment Report, adopted by the EPSCO Council in February 2007, refers to these components.

formation, places PES in a historically unique position when national policies are to be tuned to a flexicurity approach.

The study demonstrates that European PES are undergoing or planning changes in their operational setup, in order to manage new approaches like case management and subcontracting of services. However, challenges remain. On the demand side, there is an increasing need or PES to improve their partnership with employers in the anticipation of future skill needs, while on the supply side PES staff face an increasingly diverse clientele, including clientele from other countries. Consequently, the European PES need to be able to develop and recruit more qualified staff, if they are to assume their potential role as promoters and evaluators of flexicurity.

The study covers all EU Member States, Iceland, Norway and Liechtenstein, and is based on multiple data sources and data collection activities:

- Review of existing literature on flexicurity, PES and ALMP
- Five country cases on flexicurity (Austria, Denmark, France, Slovenia and the Netherlands)
- A web-based survey among national PES directors
- A web-based survey among key stakeholders cooperating with PES
- The website PES-monitor for validation and additional information on PES practises
- Site visits in eight countries and identification of 22 good practise cases

The relationship between flexicurity and PES is outlined in a comprehensive analytical framework, and comprised the basis for the mapping of PES practises in 30 countries.

How can flexicurity be understood for PES?

PES play a key role in bringing flexicurity into practise

Regardless of the economic situation, globalisation and technological progress rapidly change the skill needs of enterprises, and thus put pressure on both enterprises and the workforce to engage in lifelong learning. PES play a key role in ensuring that employers and the workforce have access to updated labour market information, including knowledge about possible future skills needs. Better information also enables better transitions in the event of restructuring and mass redundancies. Many PES have established a long term proactive cooperation with employers and trade unions to contribute to smooth restructuring processes. The cooperation involves the exchange of information, advice, and guidance to workers facing redundancy, retraining programmes and consultancy for the enterprise in question. Such proactive and responsive services contribute to the prevention of long-term unemployment and the identification of future skills needs. However, the study also indicates that there is still considerable room for improving PES contribution to the anticipation of future skills and particularly, to improve the systematic and coherent collection of labour market data.

With respect to the security dimension of flexicurity, the common principles of flexicurity stress the need to ensure employment security by facilitating timely transitions between jobs. In this respect, PES play a crucial role by providing information on job and training opportunities, and by implementing active labour market policies. PES have a vital role in giving jobseekers and inactive groups the motivation and incentives to work, but also a key responsibility to identify and assist those individuals who need help to become employed.

PES need to cooperate with other actors

PES are not the sole provider of employment services, and PES need to cooperate with a plethora of institutions to deliver pro-active and preventive employment services in line with flexicurity. The labour market has become so complex that no single service provider can possibly deliver the range of expertise required for the diverse group of unemployed and employed jobseekers, inactive groups, and employers. The study shows that European PES are aware of the need to cooperate with other service suppliers, and that PES want to intensify constructive cooperation on services for disadvantaged groups with special needs, and the exchange of methods with other service providers.

Preventive services based on early identification and intervention

In line with the flexicurity approach, PES in many countries have adopted preventive and pro-active approaches to early identification of skills needs, job search assistance, guidance, and training for jobseekers and employers. The principle of early intervention and individualised contact with unemployed jobseekers, with the objective of shortening unemployment spells, is widely adopted. In addition, most PES employ with follow-up procedures. In many countries, legislation facilitates motivation for the unemployed to find a job by making the reception of (unemployment or social) benefits conditional upon participation in active measures. Such legislation is, however, not in place everywhere.

A proactive approach of PES also entails that assistance to companies and employees in the event of restructuring and mass redundancies takes place before employees are made redundant. European PES are very aware of their role in avoiding that restructuring has damaging social consequences. With this in mind, they utilise long-term relationships with employers/enterprises and offer advice, information, training and/or counselling to employees facing redundancies. This approach is clearly critically dependent on a constructive social dialogue being in place.

Flexicurity requires a cost effective allocation of resources, and is fully compatible with sound and financially sustainable public budgets (European Union, 2007). The challenge of pro-active and preventive services is that it creates a heavy workload for PES, unless early intervention is combined with selectivity and self-help strategies. Many jobseekers find work within the first 3-6 months, and though PES in many countries are working with segmentation of jobseekers, it is an ongoing question when and how contact with the individual jobseeker should take place.

Improving employability and lifelong learning

A flexicurity approach requires access to measures that underpin and enhance the employability of the workforce, unemployed and employees alike. PES activities in this field include the provision of job search assistance, measures to overcome social and health related obstacles to work, and training and education programmes. The latter are often provided by other institutions, where PES take the role as active promoter, strategic partner and/or coordinator.

The study shows that while PES provide a wide array of training and education programmes to the unemployed, such programmes are mainly offered to selected groups. Furthermore, training programmes often focus on short term job-seeking competencies of the unemployed.

On the demand side, cooperation with employers also tend to focus on the short to medium term, rather than the long term skills needs of enterprises and society. PES themselves point to anticipation as a focal point for development. Existing cooperation with social partners on lifelong learning offers a solid basis for addressing this challenge.

Public Employment Services are mainly directed towards the unemployed

Flexicurity should promote more open and inclusive labour markets, overcoming segmentation and being accessible to both labour market insiders and outsiders. The study shows that PES put considerable effort into specialised support and motivation of unemployed people – including those with special needs. PES activities include direct provision of, or referral to, other service providers, who can assist in removing social, mental and health related obstacles to work (i.e. drug use, alcohol abuse, housing etc.). PES also initiate and participate in networks and programmes for re-integrating disadvantaged groups and long-term unemployed into work through different forms of subsidised work trials, subsidised employment, and pre-employment training for specific sectors/employers. In this respect, the study however also shows that few services are offered to inactive groups of people like disabled, women returning to work after childbirth, youth with no education, and people in early (and maybe involuntary) retirement. Unless such persons are registered as unemployed, they are frequently considered as being outside the target group for PES.

Contracting out specialised services

A flexicurity approach entails that PES assume the role of manager of relations with various relevant institutions and external service providers. The study shows that European PES do this, and that both PES and other stakeholders are increasingly focusing on cooperation and specialised service delivery, and not merely competing for market shares. Contrary to expectations, the study finds that other service providers are capable of delivering specialised services also to disadvantaged groups. Preventing creaming and parking of disadvantaged groups is still a challenge, and therefore some PES have initiated payments on the basis of subcontractors' proof of sustainability of their clients' employment.

Consistent strategies of PES and social welfare institutions

The shrinking and ageing European workforce puts pressure on European labour markets and welfare states, and PES play a role in disseminating a 'work first' approach to both unemployment recipients, and recipients of social assistance for those who are capable of working. Though a growing number of PES are being merged with Social Benefit Organisations and/or municipalities in many countries, challenges remain in ensuring the organisations have consistent strategies, and that knowledge and methods of the institutions are integrated into a holistic service.

The internal organisation of PES

The ambitions service delivery of PES required by the flexicurity approach also presupposes that PES have access to qualified staff. Indeed, PES find that they particularly need upskilling and retraining of staff on methods for collecting and using advanced labour market information, administrating relationships with external service providers and other public institutions, such as Social Benefit Organisations and/or municipalities. In line with the flexicurity approach, PES are developing into a more responsive and demand-driven organisation using customer services and management by objectives. However, systematic use of impact evaluations is still rare among European PES.

Conditions that need to be fulfilled in other components of flexicurity

Flexible contractual arrangements are vital

A key component of flexicurity is flexible contractual arrangements giving employers access to the labour force and workers to new and better jobs. European countries display very different contractual arrangements. In Northern Europe, numerical flexibility is ensured by liberal employment protection legislation (EPL), but the study finds that too liberal employment protection could work as a barrier to flexicurity, because it may remove employers' incentives to train the workforce. In countries with stricter EPL, employers try to gain flexibility by hiring workers on temporary contracts often at less favourable working conditions and little or no access to pension, sickness benefits, and unemployment insurance.

The use of part-time contracts is a common way to ensure combination security, and women are frequent users of such contracts to combine childcare and work – particularly in Continental and Southern Europe. However, working part time can be detrimental for women's access to high quality jobs and upwards occupational mobility. Better access to childcare facilities may therefore facilitate a higher labour market participation of women and an increase in the overall employment rate.

Reliable and responsive lifelong learning systems

Lifelong learning is a key component of flexicurity by contributing to the creation of an employable workforce, and helping enterprises getting access to a skilled workforce, even though the skills needs of enterprises change over time. The effects of economic incentives for employees and employers to increase training activities are not well known, and in some instances, perverse incentives have been created. Social partners' training funds could circumvent this and ensure that training is in line with sector skills needs. However, the study finds that labour market outsiders have less access to lifelong learning than insiders, and that SME's are still not frequent users of training measures. Most importantly, lifelong learning systems need to be transparent and accessible so that PES can refer disadvantaged groups to it and thus enhance the employability of the workforce.

Modern social security systems

Flexicurity calls for modern and generous social security systems that offer adequate income security for those out of work, while shortening unemployment spells. European countries have very different systems of social security. In some countries, social security rights are linked to the employers and this creates disincentives for workers to become more occupationally mobile. For PES the portability of social security rights makes it easier to convince the unemployed to take up employment on fixed term contracts or reduced contracts. Furthermore, adequate levels of income security make it easier to convince workers and trade unions that employment security is more attractive than job security. Finally, the study finds that early retirement schemes need to be created and adapted in a way which facilitates that workers stay as long as possible on the labour market.

Looking ahead: How can PES, the social partners, and policy makers do to promote flexicurity?

A more proactive role for PES

The study finds that PES have a potentially crucial role to play for flexicurity as they are placed in a unique position to directly observe, assess, and evaluate the effects of political and legislative initiatives – not only as regards labour market legislation, but also legislation concerning social benefits, pensions, and education and training.

- They should therefore focus on developing their capacity to assume the role as promoters and evaluators of flexicurity. Modernisation of organisation and staff development are key focus areas.
- To this end, PES should also continue to develop and widen their role as provider of labour market information, and in particular develop the competences for better anticipation of future labour and skill needs.
- Regardless of whether or not systems for social assistance and unemployment assistance have been reformed to support flexicurity, PES should work closely together with social benefit organisations on the continuous strengthening of methods to improve incentives to work and at the same time give flexible access to the labour market for disadvantaged groups.

There is still scope for PES to intensify its efforts to ensure efficient implementation of active labour market policies that increase employability and shorten unemployment spells.

- PES should develop its toolbox for active labour market measures further with a view to inactive and disadvantaged groups of unemployed, including methods for evaluating sustainable effects of all measures.
- PES should strengthen their focus on the current and future employability of job seekers.

These efforts will take place at the same time as the economic crisis means that PES will need to cater for a growing numbers of unemployed.

- PES should consider revising existing procedures and tools for profiling with a view to increased efficiency of segmentation of clients.
- PES should consider their strategies and procedures for outsourcing of services carefully in order to assess whether they underpin flexicurity.

Global labour markets will continue to present new challenges to PES.

- PES may assess whether to integrate the activities of EURES more closely in the day-to-day operations of PES.

Recommendations to the PES network at European level

The PES network at European level uses the Open Method of Coordination to strengthen the exchange of knowledge and experience between European PES.

- The network and its facilitators may consider carefully planning coming meetings and conferences, so that they underpin the recommendations made above.

- More specifically, they could consider a thematic meeting concerning exchange of experiences in integrating inactive groups into the labour market.
- Also, a meeting concerning labour market information would be highly relevant.

Recommendations to national social partners

The social partners play an important role in influencing the framework conditions for PES. In particular, employer organisations influence the share of vacancies handled by the PES, while trade unions are important partners in lifelong learning initiatives.

- Social partners may consider using PES more actively as a source of information, and employees may consider to enter into a dialogue with PES on the prospects for a more active use by companies of PES facilities for announcing vacancies.

Recommendations to national policy makers

In order for PES to be able to contribute to flexicurity, it is important that policy makers acknowledge the important potential role of PES and ensure – through legislative initiatives and accompanying budget allocation – that PES are capable of fulfilling the requirements to them.

- Policy makers should be aware of PES' unique position and use PES more actively in the continuous evaluation of the effects of different policies.
- Policy makers should ensure that PES have the necessary resources to develop its organisation and services in keeping with the demands of flexicurity.

Policy makers are increasingly merging PES and SBO, with the objective of counteracting disincentives to work and economic traps. However, many issues remain concerning e.g. portability of rights, just as making one-stop shops work in practice still remains a challenge.

- Policy makers should review social benefit systems to identify, and if possible remove, barriers to labour market participation. Barriers may be connected to either incentives or disincentives created by the rules for rights to benefits, and/or by institutional structures.
- Policy makers should ensure strong political and administrative efforts, and follow up to ensure proper system integration where mergers of PES and SBO are considered.

1. Introduction to the study

The present study is set in the context of the PROGRESS programme. It is a part of the 2007 Plan of Work that will contribute to the achievement of the renewed Lisbon Strategy and support the implementation of the European Employment Strategy. The work plan specifically addresses the need to find a balance between flexibility and security through 'flexicurity' and developing a life-cycle approach to work. It is also a priority in the plan to improve the matching of labour market needs through the modernisation of labour market institutions, notably employment services.

Flexicurity (a contraction of 'flexibility' and 'security') is a concept that has attracted much attention over recent years.[2] Thus, it appears in many ways to offer a policy configuration that seems highly appropriate to ensure progress towards the Lisbon goals and provide guidance in the further development, adjustment, and performance outcomes of (public) employment services as a core institution in the labour market. Bredgaard et. al. (2007) even speaks of flexicurity as a 'semantic magnet' to which the European Commission and the OECD find themselves attracted due to the political attractiveness and simultaneous ambiguity of the concept. On a more positive vein, flexicurity can be viewed as an embodiment of common political ambitions and aspirations that are already present in the Lisbon Strategy, i.e. the notion of flexicurity amounts to an assertion that it is indeed possible to achieve macroeconomic dynamism without paying a high cost in the form of social consequences for individuals.

In the present situation with the economic backlash threatening the European economies, it is well worth noting that flexicurity based on a constructive social dialogue can be considered crucial in delivering rapid and adequate responses to backlashes in the labour market. The combination of the components not only serves as a safety net, but rather as an institutional and organizational 'defence shield' that warrants the adaptability of workers and companies, preserving and protecting both employment and income security, as well as competitiveness.

The combination of contractual flexibility and modern social security can be used to facilitate temporary schemes of shorter working hours for workers, thus helping companies to adjust their production capacity without the need to make workers redundant. Moreover, the combination of contractual flexibility and effective active labour market policies can facilitate workers' timely transitions to other jobs or sectors of industry, if the need arises, thereby enhancing companies' adaptability.

The combination of responsive life-long learning schemes and active labour market policies can be devoted to the fast retraining of workers and the early identification of skills requirements for new jobs.

Finally, the combination of life-long learning schemes and modern social security can be used for the fast retraining of people that have become unemployed, including the accreditation of prior learning, helping them to return to the labour market as soon as possible.

[2] For an overview of the state of the debate in 2006, see e.g. the European *Employment Observatory review, Autumn 2006*. http://www.eu-employment-observatory.net/resources/reviews/EEOAutumnReview2006-EN.pdf

Aim of the study: to provide evidence and inspiration

The aim of this study is to inform the exchange of information on ways in which European employment services may prepare themselves to play an effective role in the implementation of flexicurity. The study asks the following questions:

- How can flexicurity be understood for PES?
- What is the role of PES in European countries pursuing the flexicurity model?
- What impact will the implementation of flexicurity have on the role/functioning of PES?
- What recommendations can be given to the PES to improve their active role if flexicurity is applied?
- What are the required conditions to be fulfilled in the other components of flexicurity (flexible contractual arrangements, lifelong learning, and modern social security systems) to ensure successful operation by the PES?
- How can good practice in relation to implementing flexicurity be identified?

The study strives to answer these questions by providing an account of current European PES practices that contribute positively to flexicurity and by giving examples of particularly interesting good PES practices from the perspective of flexicurity. The study is based on information from PES and its stakeholders on current roles and practices. The study has not looked into how these roles and practises are implemented in day-to-day practice, nor have we addressed the efficiency, effects, or impacts of PES operations, as the objective has been to provide inspiration, not to evaluate PES operation.

Content of the report

Chapter 2 presents conclusions and recommendations to PES. The remaining report presents the analyses leading to the conclusions and the data supporting them.

In order to be able to identify PES practices that are relevant for flexicurity, it has been necessary first to identify the links between concepts of flexicurity and existing PES tasks and operations. This has been done as a theoretical exercise with a brief description of the evolution of the concept of flexicurity and the common European ground upon which it stands at the time of writing and comparing it with accounts of PES objectives and models of operation. The result of this exercise has been developed into an *analytical framework* allowing us to identify precisely those aspects of PES operations that are relevant to a flexicurity strategy. *Chapter 3 presents* the framework and the discussions underlying it.

Chapters 4, 5, 6 and 7 describe the results of an online survey with 30 European PES (the 27 EU Member States and Iceland, Norway, and Liechtenstein) and with partners and stakeholders in the delivery of PES services. The results of these surveys are supplemented with information gathered through desk research as well as information on good practices collected during eight site visits carried out in the following countries: Denmark, Estonia, Germany, Italy, the Netherlands, Poland, Slovenia, and the United Kingdom.

- *Chapter 4* looks at the delivery of services: Which services are delivered and to what target groups?
- *Chapter 5* describes the state of affairs with respect to PES' cooperation with other labour market actors.

- *Chapter 6* looks into the way that PES organise themselves to better cope with increasing dynamism in labour markets.
- *Chapter 7* discusses the conditions that need to be fulfilled in other components of flexicurity for PES to be able to contribute efficiently to the implementation of flexicurity. The discussion takes as its starting point the flexicurity models found in five countries, i.e. Austria, Denmark, France, the Netherlands, and Slovenia. These countries were selected to illustrate the wide span of European labour market welfare regimes.

Annex 1 presents good practice fiches. Here, each good practice is described in a succinct and easily comparable form allowing PES and other audiences to get an easy overview of the practices and pointing to sources for further information.

Annex 2 presents five country fiches for flexicurity configurations in Austria, Denmark, France, the Netherlands and Slovenia

Annex 3 describes the methodology adopted in the survey to PES and stakeholders.

Annex 4 contains the text of the survey questionnaires.

1.1. Methodology

The study covers all EU Member States and Iceland, Norway and Liechtenstein and is based on multiple data sources and data collection activities.

Desk research

We have reviewed research literature including existing empirical as well as theoretical studies of flexicurity to provide a theoretical framework that will enable us to understand how PES can contribute to the development of flexicurity at all levels. The selection of literature, which describe and compare situations concerning flexicurity, ALMP, and PES organisation and practice, covers the countries of the study comprehensively. We have also used information from the MISEP network of (MISEP 2008) as well as from the website www.pesmonitor.eu, which presents information on PES' current services and developmental activities, to provide empirical data.

Furthermore, our desk research also includes political documents on and communications concerning flexicurity by the European Commission. Key documents concern the following topics: The development of the EES Guideline on flexicurity; the Common Principles as accepted by the European Council at the end of 2007; the so-called components of flexicurity; the mapping out of flexicurity pathways (the European Commission's Communication on flexicurity, Report by Expert Group[3]) including those suggestions for more concrete steps which can be linked to concrete practices; and examples of the implementation of flexicurity (2nd Expert Report; peer reviews, mutual learning and bench marking programmes); and the drafting of flexicurity indicators (still in progress). These political communications provide the normative basis for the flexicurity approach to which PES' role should be conducive.

[3] European Expert Group on Flexicurity: Flexicurity Pathways. June 2007.

Country cases

To illustrate PES roles in national settings representing different pathways to flexicurity five country cases (Austria, Denmark, France, The Netherlands, and Slovenia) have been selected as examples. The examples serve to illustrate the role and functioning of PES in the framework of each of the following pathways:

- Austria: supporting flexicurity through lifelong learning
- Denmark: social partnership in employment policy
- France: internal flexibility
- The Netherlands: contracting out to ensure system flexibility
- Slovenia: legislative reforms aid flexicurity

The country cases are presented in Annex 2.

Web-based survey among national PES directors

A web-based modular survey has been conducted among all national PES directors in the countries covered by the study. The national PES directors were selected through the WAPES website and the European Commission. Guided by the analytical framework, presented in chapter 3, the survey uncovers PES practices in relation to flexicurity, focusing on its services to jobseekers and employers and its cooperation with stakeholders. In the survey, PES management has also been asked to point out what they themselves see as good practices concerning flexicurity.

The response rate of the survey is 87% and represents 26 of the 30 countries asked. We consider the response rate sufficient for drawing general conclusions about PES' roles and services across Europe. For the missing countries and additional information, we have used data from www.pesmonitor.eu to supplement the survey. We would like to emphasise that qualitative information provided by the PES has not been independently validated, and that the conclusions of the report are therefore dependent on the reliability of the information placed at our disposal by PES.

Web-based survey among key stakeholders cooperating with PES

This survey was conducted among the key stakeholders cooperating with PES on the actual delivery of employment services. The stakeholders were identified with the help of the national PES directors who have been asked to provide Danish Technological Institute with a list of the five most important stakeholders cooperating with PES in the delivery of national employment services. The purpose of this survey is to explore the nature of the relationship between the stakeholders and PES; on which issues do they cooperate and what is the nature of their relationship (outsourcing, expert advising, informal cooperation, etc.). Furthermore, the stakeholders were asked to contribute with their views on the cooperation with PES. The stakeholders were also invited to assess whether the organisation of PES is adequate for facilitating the cooperation with external stakeholders.

Site visits and case studies of good practices

An important objective of the study has been to present and explain good PES practices in relation to flexicurity. The first criterion for selection of good practices is that these practices address one or more components of the analytical framework presented below in section 3. Additional criteria for good practices were subsequently discussed with the Commission as

well as with Assistants to the Heads of PES. It was decided that we would ask the countries to identify examples of good practices in the web survey. This identification resulted in a long list of examples of good PES practice in relation to flexicurity. Subsequently the project team selected the good practices that were to be further investigated. The criteria for selecting the examples to go into the shortlist and hence into the report were:

- The examples should illustrate practices in a variety of socioeconomic situations
- The examples should cover, as far as possible, all the components of the analytical framework. Hence, practices should cover
  - Services towards different target groups: Unemployed persons, inactive persons, employers, and employed job changers
  - Services involving cooperation with different stakeholders, e.g. private employment agencies, temporary work agencies, educational institutions, social benefit organisations, or public authorities
  - Practices involving strengthening of PES' internal organisation
- The practices should preferably be part of the standard operating procedures of the PES in question.
- Sufficient documentation of the practice should be available in order to prepare a good practice fiche.

Finally, for practical reasons, the cases should be limited to eight countries, where site visits were to take place. Using these criteria as a checklist, the long list was analysed in order to identify eight countries that could deliver between them 20 or more good practices with a good coverage of all criteria.

This criterion meant that if countries had only identified one (or very few) good practice(s), we looked to countries that had identified a larger number of practices to see if similar practices could be found there. Only if the identified practice (or few practices) was the only one that satisfied one or more of the criteria, the country was selected for a site visit. As a result of the selection site visits were paid to the following countries:

- Poland
- Germany
- United Kingdom
- The Netherlands
- Estonia
- Italy
- Slovenia
- Denmark

Members of the consortium core team paid visits lasting one or two days to the PES in these countries. During the stay, the experts carried out a number of semi-structured interviews with PES representatives and stakeholders. The interviews utilised a specially designed topic guide developed after the completion of the literature review and the initial analysis of the survey results.

A final remark on the methodology: We only present good practices from eight countries. This obviously does not imply that equally – or even more advanced or efficient – good prac-

tices cannot be found in the remaining 22 countries. In fact, it is highly likely that such practises are in place.

In addition, because of the method and criteria of selection explained above, the practices that we have selected and described are not necessarily the *best* practices. We consider, however, that the examples represent a comprehensive range of good practices from the perspective of flexicurity, and trust that they may serve as a source of inspiration for PES, policy makers and stakeholders alike.

2. Conclusions and recommendations

2.1. The role of PES in flexicurity

PES have a key role bringing flexicurity into practice

The main conclusion of this study is that European PES are eminently well placed to support policies aiming at flexicurity. However, for PES to play this role to the full, certain aspects of their activities need strengthening.

As an active labour market policy is one of the components of flexicurity, there is an obvious role for PES to play in supporting flexicurity, but our analysis reveals that the potential roles of PES go far beyond just strengthening active labour market measures.

Globalisation and technological progress rapidly changes the skills needs of workers, as enterprises are under increasing pressure to adapt and develop their products and services more quickly. Restructuring of companies no longer occurs incidentally, but is a fact of everyday life in particular, but not solely, when crises like the current one set in. The labour market effects of restructuring can be both positive and negative. In a best-case scenario, restructuring – propelled by successful adaptation and development strategies – can lead to the emergence of new employment opportunities. In a worst-case scenario, restructuring takes the form of contraction of enterprises, industries, and sectors in a context where demand is falling and where enterprises are unable to respond successfully to competitive pressures.

PES have an important, potential role to facilitate restructuring between these two extremes. A flexicurity approach implies that PES adopt a preventive approach that does not wait for job vacancies passively, but contribute to timely job-to-job transitions. The study shows that PES in many countries do this by establishing long-term proactive cooperation with employers to contribute to successful restructuring processes by flexible and responsive services, including information, advice, and guidance to workers facing redundancy, retraining programmes or consultancy for the company concerned. Such proactive cooperation with employers should contribute to early identification of skills needs and prevention of long-term unemployment.

The demographic changes and the forces of economic growth and transition represent an increasing challenge of attracting more people to the labour market and to addressing labour market mismatches. Here, PES potentially have an important role enabling and motivating inactive people capable of work to move from passive benefit schemes into employment and improving the employability and skills of actual as well as potential jobseekers.

A flexicurity approach involves different forms of security (as well as different forms of flexibility). There is a growing realisation, that what is important to employees is not necessarily the right to stay in one job but rather to be able to have a job and to uphold an income. This type of security is has been called transition security, employment security or career security. Satisfactory employment security requires that citizens are given the means to adapt to change, to stay in the job market, and progress in their working lives or, in other words, that their employability is supported throughout life. In this respect, PES have a key role to play in the implementation of active labour market policies that motivate employees and unemployed

people alike to participate in lifelong learning and training and support equal opportunities for all and gender equality.

...but not PES on its own

Another essential conclusion of this study is that if PES are to contribute actively to flexicurity they need to intensify operational cooperation with other stakeholders: Service providers, the business community, social benefit organisations, training institutions, and regional/local authorities.

The increasing specialisation of occupations and jobs increases the demand for specialised labour market services. At the same time, inclusive labour market policies lead to increased differentiation of potential target groups with needs for specialised services. These developments makes it difficult (if not impossible) for any single service provider to deliver the full range of expertise required. The ambition of attracting disadvantaged groups with further distance to the labour market increases the importance of individually tailored services to employers, jobseekers and those clients who need more help.

This requires that PES as an organisation moves and assumes the role of an organisation that develops and manages specific relationships with other agencies in the delivery of services. The study shows that this development is well on its way and that in many countries PES offer support for removing barriers to employment in relation to selected groups of unemployed people. Typically, such support is not provided directly by PES themselves but by external service providers and specialised agencies.

PES have a specifically important role to play in relation to the promotion of more open, responsive and inclusive labour markets overcoming segmentation between 'insiders' and 'outsiders'. This role calls for PES to enable and motivate inactive people capable of work so that they can move from passive benefit schemes into employment. In order to fill this task, PES and systems delivering social supports and in-depth help to vulnerable groups need to cooperate more.

2.2. European PES and flexicurity today

The study analyses the roles, functions, and services of PES across Europe and to what extent these roles, functions, and services are conducive to a flexicurity approach.

Across Europe, PES have adopted proactive and preventive approaches conducive to flexicurity. Furthermore, a number of PES are changing and adapting their internal organisation to improve efficiency and facilitate cooperation with external stakeholders.

The study demonstrates that European PES take on several roles and tasks conducive to the common principles of flexicurity proposed by the EU Member States.

Preventive approach based on early identification and intervention

A flexicurity approach implies that PES should adopt a preventive and proactive approach to support early identification of skills needs, job search assistance, guidance and training. The study indicates that in many countries PES have adopted a preventive and proactive approach to jobseekers as well as employers.

Most European PES put great importance on a preventive approach based on early identification of needs and risks of unemployed people. The principle of early intervention and individualised contact is a general operational principle in most PES. These PES emphasise that 'as early as possible' is an essential principle, and that the aim is to keep unemployment spells as short as possible and prevent long-term unemployment. Key measures towards this aim include early profiling of unemployed people, regular personalised follow-up procedures, and a broad spectrum of active labour market measures as a component of a right-and-duty oriented labour market policy.

As mentioned earlier, PES have a potentially critical role to play in the event of plant closures or company restructuring. A proactive flexicurity approach implies that emphasis is placed on securing the transitions of the employees to be made redundant into other jobs rather than on benefit schemes and compensation payments.

The study indicates that in most European countries PES provide services to employers that may prevent or reduce negative consequences of redundancies. The study provides examples of long-term counselling relationships between PES and employers/firms. There is evidence that such close working relationships contribute to successful restructuring processes. PES themselves emphasise that this requires them to be able to provide flexible and responsive services. Relevant measures include information, advice, and guidance to workers facing redundancy, retraining programmes, and advice on staffing issues to the companies concerned.

Challenge: To balance early intervention with selectivity

'Flexicurity requires a cost-effective allocation of resources and should remain fully compatible with sound and financially sustainable public budgets' (Common principles of Flexicurity: Principle No. 8. European Union 2007).

If PES are to consistently carry through a general principle of early intervention for all unemployed jobseekers from the day of registration at the job centre, it may lead to a considerable quantitative workload as this principle give all clients the right to a number of immediate standard services. In economic terms, strict adherence to the principle may give rise to sizeable deadweight effects, as early counselling services may be offered to persons who would easily have found a job on their own without PES intervention. To a certain extent, segmentation and profiling of clients may help to alleviate the resource problem, as it enables PES to administer measures according to needs.

However, even profiling of all clients represents a considerable effort, hence a key question is how often, in what way, and at what moment the individual contacts should take place.

Improving employability and lifelong learning

Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems. (Common Principle No. 2)

A flexicurity approach implies that jobseekers, whether unemployed or employed, should benefit from access to effective measures to maintain and improve their employability. Such measures may include advice and guidance, job-search assistance and personalised action plans. Training and education programmes are thus key measures to improve the employability of workers whether employed or unemployed. While education and training institutions

will most frequently be responsible for delivering the training measures, PES may play an important role in acting as an active promoter of lifelong learning, as a strategic partner for training institutions, or as a coordinator of regional or local supply of continuing training.

The study shows that European PES provide a wide array of training and education programmes to the unemployed, but in most instances training is offered to selected groups of unemployed people only. The most frequent type of training offered by PES is short courses aimed at enhancing the job-seeking competencies of the unemployed.

Regarding the demand side, cooperation with employers is often focused on specific needs arising in relation to either business expansion or restructuring involving mass redundancies. The study indicates that PES provide some services to employers concerning anticipation of skills needs, but a closer look reveals that these services are frequently limited to collecting and disseminating information about the companies' own short to medium term expectations, and indeed the PES themselves point to anticipation as a focal point for development.

PES are conducive to more open and inclusive labour markets – for the unemployed

'Flexicurity should promote more open, responsive and inclusive labour markets overcoming segmentation. It concerns both those in work and those out of work.' (Common Principle No. 4)

The study indicates that European PES have considerable focus on providing specialised support and encouraging disadvantaged unemployed. The study further demonstrates that PES most frequently deliver such services in close cooperation with jobseekers and/or employers. Often, this support includes measures to remove barriers to employment. Barriers include e.g. alcohol or drug misuse, mental health problems and poor housing. Most frequently, the measures themselves are delivered by external service providers.

Furthermore, a number of European PES have developed networks with employers with the objective of reintegrating unemployed people in general as well as disadvantaged groups into work. Within these networks, PES provide services such as programmes to overcome employer resistance to employing disadvantaged or long-term unemployed or inactive people, work trials or subsidised temporary placements, and pre-employment training/employability programmes targeted to specific employers/sectors.

Challenge: Inactive people are not a key PES target group

In a number of European countries, a large section of the population is inactive in the labour market. Some of them have the capacity to work but find it difficult to gain a foothold in the labour market. A key feature of flexicurity is transition security, i.e., the security to enter into employment, remain in employment by making timely job-to-job transitions and progress in the labour market. Consequently, a flexicurity approach requires that an active labour market policy also target inactive people who are able to work in addition to people belonging to the labour force.

Looking across Europe, however, the study indicates that very few PES include inactive people in their target group. Inactive people may use the vacancy information on PES' web pages. Moreover, PES services, such as job search assistance, training and education programmes or referral to free (publicly funded) external support to remove barriers to employment, are only offered to inactive persons in a few countries.

2.3. The cooperation between European PES and other organisations

As mentioned above, the flexicurity approach entails that PES assumes the role of managing relations with other service providers and key actors in the industrial relations system.

Contracting out specialised services

European PES increasingly subcontract employment services. PES contract out 'bulk' services such as managing job placements or short training courses in key skills as well as specialised services towards disadvantaged target groups. Hence, subcontracting is a tool that enables PES to offer more specialised services to the increasingly diverse groups of jobseekers. The types of subcontractors used by PES vary considerably, but include private employment agencies, training providers, consultancy companies, and voluntary organisations/NGOs.

The relationship between PES and other providers of employment services is not just one of competition but also one of partnership and cooperation. PES, as well as other service providers, say that they are not interested in a simple purchaser-buyer relationship. They want cooperation that facilitates flexible, specialised, and individualised employment services. Some PES subcontractors even suggest common platforms for development and exchange of methods and knowledge.

Nevertheless, PES organisations struggle to find methods that allow them to reap the benefits of using specialised service providers as subcontractors (such benefits include cost-effectiveness and access to highly specialised competences for specific purposes) without running the risk of 'parking' or 'creaming' by subcontractors. The study also shows that other service providers are open to an enhanced relationship with PES.

Consistent strategies between PES and social welfare institutions

The shrinking and ageing European labour force puts pressure on the European labour markets, and PES play a role in disseminating a 'work first' approach to inactive and disadvantaged groups. A precondition for such an approach to be successful is that PES and social welfare institutions have consistent strategies, *and* that they use each other's resources. PES and social welfare institutions, i.e., social benefit organisations (SBO) and/or municipalities, are increasingly integrated or merged into one-stop-shops to ensure more consistent strategies and avoid the rubbing off of expenses (and clients) on the other party. The integration process, however, is still in its early stages, and the study points to important challenges concerning the integration of steering structures and the existence of very different work place cultures in the PES and the SBO.

Cooperation to ensure employability and upward mobility of labour

In the efforts to support employability, the social partners are key partners of the European PES. In addition to playing a key role in defining the structural conditions for flexicurity, the social partners play a particularly significant role in the field of lifelong learning – both in the event of restructuring and mass redundancies but also as key actors in European systems for continuing training.

Moreover, PES cooperate extensively with education and training providers to be able to provide retraining and competence development of workers. This cooperation contributes to

flexicurity by facilitating the mobility of workers - job-to-job mobility as well as occupational mobility and upward career mobility.

Challenge: to contribute to the long-term employability of the labour force

The study shows that the involvement of PES in labour market education and training mainly focuses on the supply side of the labour market. Though PES increasingly provide and use labour market information, it remains a challenge for PES to ensure that the information provided in fact reflects current and future skills needs of the labour market. Employers can play a key role in ensuring that such information reflects current labour market needs, while PES need more highly qualified staff to ensure that the labour market information also includes the long-term needs of the labour market.

The internal organisation of PES

As the previous sections indicate, a flexicurity approach requires PES to deliver increasingly flexible and specialised services and services to new target groups. It also requires PES to be an advanced provider and user of labour market information, and finally it requires PES to increase and intensify their cooperation with other service providers. Combined with the challenges involved in navigating an immensely complex labour market, this poses huge demands on the competencies of PES staff.

The study reveals that European PES find that they need more qualified staff, and that further challenges add to the general need for competence development as described above:

- PES staff needs both technical and methodological skills in order to be able to provide and use advanced labour market information and ensure that the information reflects both current and future labour market needs.
- Intensified cooperation with stakeholders and subcontractors require competences both within contractual law and contract management, but also general management competences are called for.
- Mergers between PES, SBO and municipalities in one-stop-shops put challenges on the organisational structures and competencies of staff.

In addition to these challenges, European PES are increasingly required by policymakers to raise the quality of services provided and be responsive and demand-driven. The main instruments that PES employ towards these objectives is management by objectives and performance management. Most PES carry out customer surveys to evaluate satisfaction with and immediate effects of active measures, while sustainable effects are only evaluated by a small number of PES. In addition, PES rarely evaluate activities other than employment measures.

Finally, PES have had to adapt to and use the IT-systems that they have introduced for administrative purposes and case management. The study indicates that there is scope for a more strategically directed investment in IT systems and that such investments should be accompanied by investment in staff competencies.

2.4. Conditions that need to be fulfilled in the other components of flexicurity

According to the EU Commission, flexicurity pathways should integrate the following four components:

1. Flexible and reliable contractual arrangements from the perspective of the employer and the employee, of "insiders" and "outsiders".
2. Comprehensive lifelong learning strategies to ensure the continuous adaptability and employability of workers
3. Effective active labour market policies that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs
4. Modern social security systems that provide sufficient income support, encourage employment and facilitate labour market mobility are embodied in four components

Since flexicurity embodies four different components it is paramount that policy makers do not focus solely on employment policies. Rather, if policy makers are to contribute to flexicurity, it is vital that they enlarge the political agenda of employment policy to include competition and productivity concerns of firms, welfare and employability concerns of workers, and sound public finance.

Factors outside the reach of PES largely define and constrain the scope for PES to act positively to enhance flexicurity. Thus, 'recipes' for a more active PES flexicurity role need to consider these constraints. The extent to which PES can be instrumental in implementing such an approach depends on a number of factors:

- Regulation of and constraints on benefits
- The market share of the PES
- The degree to which eligibility for unemployment benefits and social benefits is made conditional on employment and/or participation in active labour market measures
- Resources (financial and competencies) available for implementation of active measures
- Whether unemployed and inactive persons have access to and are allowed to participate in continuing education and training
- The availability of relevant training courses in the educational system

The study examines these issues through desk research of available economic, statistical and political analyses of the situation in Europe and uses reference to five countries as examples. The five countries are Austria, Denmark, France, the Netherlands and Slovenia.

Flexible contractual arrangements are vital

The contractual arrangements available in a given country are of specific importance as they affect the number and character of vacancies as well as the nature and size of the labour supply. The study discusses different contractual arrangements and the legislation or bargaining structure underlying these arrangements.

Contract types and flexicurity

The study finds that the use of different contract types varies considerably across Europe. A large share of non-standard contracts is one way of achieving numerical flexibility in the labour market. Part-time contracts represent a traditional approach to solving combination

security[4] issues, as they allow women to work while still being able to take care of children and home. However, the quality of work and career prospects of part-time workers is often poorer than that of comparable fulltime workers. Even where efforts are made to improve the job security of those in non-standard contracts, quite a large share of part-time workers would rather work to a standard time contract.

Therefore, it may be relevant for policymakers and social partners to explore other ways to increase combination security, for example through providing cheap and comprehensive access to child daycare.

Another subject that could be discussed is whether standard permanent contracts can be revised to allow for greater flexibility. For example, the introduction of enhanced working time flexibility would allow companies as well as workers more flexibility according to their needs and could be combined with leave and retirement schemes to ensure a life-course perspective on work. In good keeping with the principles of flexicurity such work needs to be carried out with a close view to benefit schemes and a willingness to adjust them where they act as barriers to flexibility.

Seen from the perspective of the PES, contractual arrangements should be so diverse that they cater for the variety of requirements of employees as well as of firms and still deliver a reasonable level of security against unwarranted dismissals or abuse of working time flexibility.

Very strict as well as very liberal employment protection legislation are barriers to flexicurity
Many non-standard contracts are associated with strict job protection either in the form of employment protection legislation or based on sector agreements. Based on different studies of EU-wide datasets, the study discusses the relationship between EPL, labour turnover and occupational mobility.

The study finds that both very strict EPL and very liberal EPL act as barriers to flexicurity. On the one hand, in a situation with strict employment protection legislation, PES may need to devote more resources to measures and support for the long-term unemployed. PES might also have to tackle a labour market where informal work prevails. On the other hand, where little job protection exists, PES might have to play a more proactive role in ensuring the employability of the labour force.

Measures that aid transitions
Looking ahead, the report discusses whether, instead of protecting jobs, governments and social partners instead should consider ways of protecting transitions, as this would help make the labour markets more flexible without accepting a loss of income security. Such policies would release resources in PES to focus on new tasks related to the inclusion of groups outside the labour market and the promotion of flexible forms of employment. The measures to aid transitions include

- Financial incentives and compensations,

[4] *Combination security* denotes the ability to combine working life with family life. Combination security is one of a number of different types of security described in the literature on flexicurity, e.g. Auer (2007), Bredgaard et. Al. (2007), Wilthagen, & Tros, (2004).

- Assistance to employees to identify alternatives,
- Assistance to employees to enhance their employability,

On the one hand, where transition guarantees are primarily financial, emphasizing income security, there will be a need for PES to deliver proactive efforts to facilitate transitions by way of training and counseling to ensure the employability of redundant employees. On the other hand, where the social partners and companies provide tailor-made transition services, PES may be required to act as a specialised service provider.

Reliable and responsive lifelong learning (LLL) systems

Employability is a critical issue in creating flexicurity. Employability is the factor that allows the individual employee to move on to a new and possibly better job without the risk of long-term unemployment. As lifelong learning contributes actively to employability, access to a strong system of lifelong learning in tune with current and future skills needs in the labour market is of vital importance.

Participation in continuing training and education reflects investment
The study examines adult participation in continuing education and training and finds that the take-up of vocational training among people in employment is roughly similar across Europe. In all the five countries we examined the stakeholders invest in continuous vocational training to a certain extent. However, in all the countries, less than half the people in employment participate in training during one year. The study therefore concludes that there is considerable scope for improvement in workplace learning.

The share of the entire adult population that participate in LLL varies much more, indicating that the competence development of people outside the labour market could be improved considerably in some countries. In general, adult participation in lifelong learning closely mirrors figures for public spending on education.

Effects of incentives to learners and companies
The study looks at some of the current attempts at creating direct economic incentives for persons and companies to increase training activities. Very few countries use tax credits and their effects are not well known, even though a cautious assessment points to risks of deadweight effects, low take-up or perverse incentives.

Individual learning accounts (ILAs) are more widespread and piloted in several countries. A thorough evaluation of the efficiency of different types of schemes is still to be made, although there is a suspicion of a sizeable deadweight effect.

For PES, the implication of such schemes is that they need to be aware of schemes operating in their country and of their specific strengths and weaknesses in relation to ALMP. For example, if tax reductions target companies, they are probably largely irrelevant to ALMP, whereas individual tax reductions and some forms of ILAs are potentially very relevant.

Effects of social partners' joint training funds at branch or regional level
Eight European countries employ social partners joint training funds. The training funds are instruments to strengthen the social dialogue and the funds are likely to increase company awareness of the importance of training. Moreover, training funds increase and stabilise the resources available for training purposes and may promote SME participation in training ac-

tivities. Finally, training funds could contribute to quantitative and qualitative improvement of training supply and act as centres of expertise and sectoral knowledge.

However, SMEs tend to pay insufficient attention to the opportunities training can offer, and there is a risk of predominance of employer and sector specific perspectives in relation to training needs rather than on generic and transferable skills. Moreover, the funds may not contribute to the development of training offers that are relevant to unemployed or disadvantaged groups.

Implications for PES
Training funds may provide important instruments to enhance competence development at enterprise level. In countries where such schemes are predominant, PES face a specific challenge in ensuring a supply of training courses available to unemployed people and disadvantaged groups that are tailored to the specific needs of these groups. However, PES may also play a proactive role in promoting training in SMEs.

Collective agreements between social partners on rights to training
Not only financing instruments but also the right to participate in courses and free time to do so may strengthen lifelong learning. In this respect, the social partners play a crucial role in ensuring that collective agreements provide room for employee participation in LLL.

Lifelong learning – implications for PES
PES have two main roles to play in respect to lifelong learning:

1. As a provider of qualifications to the unemployed in an ALMP setting and
2. As a knowledge centre providing guidance and information to jobseekers about training and education opportunities.

For PES to fulfil these roles, the system providing training and education needs to be organised in a way that is accessible to all PES-target groups, particularly disadvantaged groups. Employer-centred financing schemes do not necessarily preclude this, but where such schemes operate, they must be supplemented with public financing that can cover the cost of participation for PES-target groups. In order for PES to function as a provider of information on labour market training, training systems have to be transparent, and the internal organisation of PES has to be geared towards collecting and distributing this type of information and guidance.

Modern social security systems

Flexicurity calls for ‘modern’ social security systems, i.e., systems that provide for adequate income security for those unable to work for short or long spells, while at the same time making it easier for people to get out of economic dependency and unemployment and into employment and financial independence.

Different European social security systems are associated with different types of inflexibilities in the labour market. The breadwinner model reduces the labour supply because women leave the labour market for long periods. The individual-oriented model is typically associated with quite generous benefits that compensate for the lack of family support and allows disadvantaged individuals to lead a respectable life. In the case where the individual is able to work,

generous benefits may, however, create 'traps', i.e., situations where it does not pay to work as the marginal benefits of taking up employment or by increasing the amount of workings hours are very small.

The social benefit system is not the only source of flexibility (or the contrary) in the labour market, and an isolated lowering of benefits without taking into account other factors such as the competencies of the labour force or their family responsibilities will not necessarily lead to a large supply of labour or enhanced flexibility. In order to avoid such situations, many countries are currently introducing flexible benefits, pensions, and activity requirements as eligibility criteria for social rights and benefits. Such instruments are potentially very useful for PES if they are to facilitate inclusion of people outside the labour market.

Portability of benefits and pensions
The study finds very variable conditions with regard to portability of the right to social benefits and other rights. Such portability is important to motivate people to become more occupationally mobile. Portability of rights can make it considerably easier for PES to motivate unemployed people to take up employment in fixed-term contracts or reduced-time contracts, as the unemployed person will not see his or her future social benefits or pension diminish because of not being employed on a full-time permanent contract.

Flexible retirement and size of pensions
Retirement schemes play a big role in enhancing or impeding flexicurity, not only because they provide incentives for people to retire at a specific age thus affecting significantly the supply of labour. Early retirement schemes linked to a specified insurance period may work as an impediment to employees' willingness to take risks in connection with changing jobs.

2.5. Recommendations

Based on the conclusions, recommendations can be made. Rather than providing very detailed and comprehensive recommendations, we have aimed at identifying the most important areas for improvement and those which are relevant for most countries.

Recommendations to PES

A more proactive role for PES
PES have a potentially crucial role to play for flexicurity as they are placed in a unique position to directly observe, assess, and evaluate the effects of political and legislative initiatives – not only as regards labour market legislation but also legislation concerning social benefits, pensions, and education and training.

- PES should seek to develop their capacity to be able to provide advice to policy makers on labour market trends and the effects of policies on the labour market.
- To this end, PES should consider modernising their organisations, methods, and develop staff competencies to allow staff to act more proactively. Development could be financed with means from the PROGRESS programme.

Timely and advanced labour market information should be given priority
Access for all stakeholders and for jobseekers to relevant and timely information about jobs, skills, future skill needs and demographic trends are imperative for flexicurity to work, as information facilitates mobility and successful matches.

- PES may consider proactive measures to increase their share of vacancies by strengthening existing partnerships with local and regional employers
- PES should strive to enhance the quality and use of local and regional labour market information in partnership with all relevant stakeholders.
- Analyses of vacancies and current labour market needs should be combined with more advanced analyses of trends and future skill needs

PES and SBO should work together on improving incentives to move from unemployment benefit into work
Some countries still need to change their unemployment and social benefits from passive benefits to active benefits, so that every individual has incentives to work (and services if needed). Furthermore, regardless of the business cycle, flexicurity demands that there be more focus on softening the distinction between the unemployed and the 'inactive' groups. There is a large potential for flexibility as well as for social coherence in including as many as possible in society's production at different levels of individual effort. Such a focus requires legislative changes and adjustments, but PES can also contribute to the effort by strengthening the dialogue and cooperation with SBO on methods for making benefits active.

- PES should work closely together with SBO on the continuous strengthening of methods to improve incentives to work and at the same time give flexible access to the labour market for disadvantaged groups.

Implementation of active labour market policies can be strengthened
There is still scope for PES to intensify their efforts to ensure efficient implementation of active labour market policies that increase employability and shorten unemployment spells. In particular, there is room for developing innovative methods to integrate inactive groups better into the labour market.

- PES should continue to develop their toolbox for active labour market measures with a view to the needs of inactive and disadvantaged groups of unemployed, including methods for evaluating sustainable effects of all measures.
- PES should strengthen their focus on the current and future employability of job seekers.

PES must strike a balance between the need to secure rapid transitions and financial considerations
In the present situation when PES will need to cater for a growing numbers of unemployed and at the same time is called for to provide services to inactive groups, standardised service packages requiring considerable staff input may turn out to be unsustainable. This may lead to budgets being spread (too) thinly on clients with decreasing quality of services as the result.

- PES should consider whether existing procedures and tools for profiling are adequate and whether they could be adjusted further to ensure a careful but quick segmentation

that will allow PES to distinguish more precisely between 'job ready' unemployed and unemployed who need more extensive assistance measures and support from outside experts.

- PES should consider their strategies and procedures for outsourcing of services carefully in order to assess whether they underpin flexicurity.

PES for the future

The immediate crisis aside, there is little doubt that labour markets will continue to be still more global in nature. This presents a challenge to PES who will be required to be able to deliver their services to persons and companies from other countries and in different languages. Moreover, PES counselling will increasingly need to take into account jobs abroad. Whereas such tasks have been undertaken by EURES until now, before long PES will probably need to assess if the activities of EURES need to be more closely integrated in the day-to-day operations of PES.

Recommendations to the PES networks at European level

The PES networks at European level exploit the Open Method of Coordination to strengthen the exchange of knowledge and experience between European PES.

- The networks and their facilitators should consider careful planning of upcoming meetings and conferences so that they underpin the recommendations made above.
- More specifically, they could consider a thematic meeting concerning exchange of experiences in integrating inactive groups into the labour market.
- A meeting concerning labour market information would also be highly relevant.

Recommendations to national social partners

The social partners play an important role in influencing the framework conditions for PES. In particular, employer organisations influence the share of vacancies handled by the PES, while trade unions are important partners in lifelong learning initiatives.

- Social partners may consider using PES more actively as a source of information, and employees may consider entering into a dialogue with PES on the prospects for a more active use by companies of PES facilities for announcing vacancies.

Recommendations to national policy makers

Flexicurity policies acknowledging the role of PES

In order for PES to be able to contribute to flexicurity, it is important that policy makers acknowledge the important potential role of PES and ensure – through legislative initiatives and accompanying budget allocations – that PES are capable of fulfilling the requirements posed on them.

- Policy makers should be aware of PES' unique position and use PES more actively in the continuous evaluation of the effects of different policies.
- Policy makers should ensure that PES have the necessary resources to develop their organisations and services in keeping with the demands of flexicurity.

More political focus is needed on the interaction between social policy and labour market policy

PES and SBO are increasingly being merged with the objective of counteracting disincentives to work and economic traps. However, many issues remain concerning issues such as portability of rights, just as making one-stop shops work in practice still remains a challenge.

- Social benefit systems should be reviewed to identify and, if possible, remove barriers to labour market participation. Barriers may be connected to either incentives or disincentives created by the rules for rights to benefits, and/or by institutional structures.
- Mergers between PES and SBO require strong political and administrative efforts and follow-up to ensure proper system integration.

3. Public Employment Services in the flexicurity context of the European Labour Market: Analytical framework

The goal of Chapter 3 is to construct an analytical framework that can be used to hypothesise the roles and functions of PES implied by a flexicurity approach. The analytical framework is required to describe roles and functions of PES that can be deduced as being beneficial to flexicurity. In other words, if a flexicurity strategy is adopted, what is to be expected from PES? Furthermore, the roles and functioning of PES in European countries will be related to and measured against the normative propositions of the framework.

This is done by first looking into the challenges that the European labour markets and employment services are facing and, second, from an analytical viewpoint, into the developments and responses within these services. Then an outline is given of the flexicurity policy framework recently established by the European Union, the European Social Partners and various other actors, including academic scholars. Based on this, we develop an analytical framework that guides the remaining part of the report.

3.1. Public Employment Services in European Labour Markets: Challenges and Trends

Public Employment Services (PES) are given a central role in implementing the new Lisbon Strategy as well as the European Employment Strategy (EES). The 2005-2008 Integrated Guidelines for Growth and Jobs highlight the importance of attracting and retaining more people in employment as one of the three key priorities of the EES, together with adaptability of enterprises and workers and investment in human capital. The PES also have specific responsibility for certain targets and benchmarks, especially those covering new starts and the activation of long term unemployed people. Furthermore, effective delivery is increasingly seen as a condition for the success of employment policies and EES places emphasis on modernising public employment services and training systems.

PES are multi-tasking institutions addressing the needs of individuals and as well as companies recognising both economic and social objectives. According the European Commission[5] the mission of PES includes the following main tasks and objectives:

- To offer easy access to the labour market at local, national, and European level to all job seekers, employers and companies specialising in staff recruitment. To this end, they provide comprehensive and detailed information on available jobs and job seekers and on related matters of interest. They also offer a wide range of active services to assist in job searches and staff recruitment.
- Where sufficient vacancies are not available for every unemployed job seeker to find employment immediately, and/or where job seekers' skills do not fit in with market demand, or where other problems make finding a job difficult, PES offer access to more comprehensive services to meet individual needs. They ensure that no job seeker is marginalised by a lack of adequate assistance to find suitable employment, and job

[5] http://ec.europa.eu/social/main.jsp?catId=105&langId=en

seekers for their part are also encouraged to demonstrate sufficient and verifiable efforts to find employment.

- Enterprises are offered a range of quality services mediating between their needs and labour market conditions. By providing these services to enterprises, PES also enter into partnerships with employers to achieve the economic and social objectives of integrating workers into the labour market".

While given this central role and objectives, PES operate in a continually changing environment facing challenges on several fronts, which influence on the conditions of PES services and interventions. Consequently, it is important that the analytical framework take these challenges into account to make the framework realistic as regards how PES can contribute to flexicurity.

Some of the essential trends and challenges are:

Globalisation

A globalised economy based on free trade and capital flows and rapid technological change challenges European economies, societies and labour markets. One of the key consequences is a general trend towards the knowledge intensive service economy, which represent a shift from a manufacturing to a service-based economy. Employment growth is high in knowledge intensive sub-sectors such as business services and air while employment stagnates or decreases in agriculture, all types of manufacturing, financial services, and trade (European Commission 2003, 2004; Pender, Kaniovski and Dachs 2000).

Globalisation is a driver for rapid and ongoing restructuring processes. This increases the importance of continual business innovation and labour up-skilling in European economies to improve productivity and competitiveness.

Implications for the analytical framework

Consequently, globalisation implies that PES are faced with an increasing and continuous need for reemployment and upskilling of workers made redundant in restructuring processes as well as changing recruitment needs of employers. In a flexicurity approach, this implies that PES should adopt a proactive role supporting the restructuring processes of employers, timely job-to-job transitions and improving the employability of job changers and the unemployed. The role of PES in such cases may involve a partnership with employers managing staff that cannot be kept in the company; managing the local impact of the restructuring; and helping to reorganise the new firm and its workforce rapidly.

In general, the growing speed of restructuring processes and changes in skills needs increase the importance *early identification and intervention* by PES in its relations to employers as well as job seekers to facilitate timely job-to-job transitions and to shorten the employment spell. These considerations will be integrated in the analytical framework

Demographic changes -the labour force is 'shrinking'

Labour market conditions are mainly affected by the overall development of the economy. However, going into the next millennium, labour market performance is increasingly challenged by the demographic shift. Over the next 30 years, the dynamics of population ageing will have important implications for the workforce, particularly on its composition. Demo-

graphic changes and a shrinking labour force create labour and/or skill shortages in a number of occupations and sectors of the economy in many countries. At the same time, many countries have a high youth unemployment rate, which is a special risk for the future of Europe's economy and welfare model. Skills shortages are expected to increase in the future.[6]

Labour market mismatches

Labour market mismatches mean that high levels of unemployment, especially youth unemployment, can exist side by side with a high demand for labour. Many EU Member States experience severe mismatches in their labour markets, both in a qualitative and quantitative sense. This limits their adaptability to changing circumstances and slows down productivity growth. These include skills mismatches associated with particular social groups who have been employed in declining sectors. Regional mismatches of labour are also an issue in many countries.

The flexicurity approach implies that the inactive, the unemployed, those in undeclared work, in unstable employment, or at the margins of the labour market need to be provided with better opportunities, economic incentives and supportive measures for easier access to work or stepping-stones to assist progress into stable and legally secure employment (European Council, 2007).

Implications for the analytical framework

These trends face PES with an increasing challenge of attracting more people to the labour market and to address labour market mismatches. The PES has an important role in building an appropriate relationship with its employer clients in order to perform effectively its role as "broker" between unemployed people/job-changers and employers. Through its broker role, and the provision of strategic labour market information, the PES helps to address the challenge of labour market mismatches. A well-functioning labour market and increasing employment participation rates, e.g., women returning to the workforce, are growing more important to maintain sustainable economic growth.

In a flexicurity context, the shrinking workforce implies enabling and motivating inactive people capable of work to move from passive benefit schemes into employment. For PES this may imply increased cooperation with the social benefit system and in-depth help to vulnerable groups to address inactivity and to raise activation while unemployment or social benefits are being received. Labour market mismatches imply that PES increasingly has to focus on improving the employability and skills of current as well as potential job seekers. PES also faces the challenges of different age groups, e.g. helping young unemployed people with no or limited work experience into work and helping senior workers with obsolete skills to maintain employment. More incentives to invest in training and to facilitate access to training are key requirements for the development of a lifelong learning strategy.

Increasing need for advanced labour market information

The increasing speed of restructuring processes and the trend towards the knowledge economy imply that the European labour markets are becoming more versatile and differentiated. Major manifestations here are the increasing diversity in work-related preferences and

[6] The European Labour market in the light of demographic change http://ec.europa.eu/employment_social/socprot/ageing/labour_market/intro_en.htm

choices, in labour market transitions, in working patterns, working-time and caring, in educational trajectories, including risks of mismatches between education, skills and labour demand, in career paths and, finally, in overall life-courses (Van den Heuvel et al., 2004). These work-related diversities are also related to the large variation in consumer behaviour and consumption patterns. The emerging 'knowledge economy', which places premium on education and modern communication skills, gives rise to an increasing number of highly educated people who form a growing market for information about jobs and the labour market. The speed of change means that people constantly need to update their education and skills if they are to compete in the labour market.

Implications for the analytical framework
The growing sophistication of employers and job seekers' information needs creates a growing demand for advanced labour market information to be supplied by PES. Consequently, the analytical framework will involve PES provision of timely and advanced labour market information to job seekers and employers and PES role to ensure transparency in the labour market, e.g., increase in number and range of vacancies.

Increased heterogeneity and demand for individualisation of services

The profile of citizens requiring services from the PES is increasingly heterogeneous. These include job seekers embedded in diverse contexts and with diverse needs. They also include workers who are at risk of redundancy as well as those seeking support in planning their career development.

Furthermore, the ambition to attract disadvantaged groups with further distance to the labour market increases the importance of individually tailored services to employers, job seekers and those customers who need more help. Categories that have a particularly acute need for individualised and tailor-made support on the road to employment include the long-term unemployed, women returnees, persons with disability, unqualified and low-skilled workers, company-closure clients, and clients with a variety of social problems and/or tenuous links to citizenship rights.

Implications for the analytical framework
The increased heterogeneity requires PES to personalise its service delivery implying intensification of sensitivity and responsiveness to the specific needs of individuals and groups. A personal service model is instituted in the EES Guideline 1 and is part of a wider effort to modernise the Public Employment Services.

Furthermore, the heterogeneity increasingly requires PES to apply 'customer segmentation', distinguishing between clients who can mainly help themselves to a new job through self-service and clients who need more personal support and activation.

Consequently, the analytical framework will involve the individualisation and segmentation of PES services and interventions. For example how PES balance intensive support with a self-help strategy.

From employment to 'activation' and self-responsibility

The heterogeneity of PES customers and the active labour market measures to enable marginalised groups to reintegrate into the labour market implies that PES' relationship with job seekers is increasingly based on the strong self-activity and self-responsibility of the jobseeker. This implies a mutual collaborative relationship between PES and the individual client, whereby they identify goals in the job-searching process and strategies to reach those goals. A relationship is established with each individual unemployed jobseeker from entry into the register until successful off-flow. The jobseeker is both a customer and a partner cooperating with the PES towards a common objective. The client commits himself to implementing the steps agreed (for example in a personal action plan) while the adviser commits to assisting the client in the process and to providing the resources that may be required.

The analytical framework will involve PES individual 'case management'.

The demise of PES monopolies and increasing role of private employment agencies

Since the economic dislocation of the 1970s and the growth in unemployment in many countries, PES have increasingly been used as an instrument for government employment policies or labour market adjustment programmes designed to tackle unemployment problems. Traditionally, PES had a near monopoly-status in most countries being the only institution providing job-broking as the main employment service (Freedland et al 2007).

This has changed, and in many countries PES operate in an increasingly competitive market facing relatively low or declining market shares, and sometimes concerns are raised about the effectiveness of the implementation of these services (Berkel & Borghi 2008, Freedland et al 2007). In many countries, this has led to an increasing role or demand for private services or a redesign of public services, including contracting-out of services, as well as to a tendency towards decentralization and a demand-oriented approach (Genova 2008, Berkel & Borghi 2008, Breedgard & Larsen 2008a). Bäckström (2008) points to the growing role of market-based labour market intermediaries leading to the creation of a 'job transition sector' that is formed by job transition companies such as outplacement firms, specialised training institutions and temporary work agencies.

Member States vary with regard to the relative market shares of the labour market intermediaries ranging from a strongly public to mainly private sector driven system of employment services. To give some examples, on the one hand, France and Germany still rely fairly strongly on public employment services, organized in a traditional, top-down manner. On the other hand, the Netherlands has implemented a full-scale tendering model, meaning that all target groups of job seekers are referred to external service providers and that the PES has stopped providing traditional employment services to the unemployed. In the Netherlands, public authorities are instead used as gate-keepers in the quasi-market and to pay out social security benefits (Bredgaard & Larsen, 2008a).

In the European flexicurity context, the Commission has explicitly recognised that forms of cooperation between public employment services and private employment agencies could be an important element of national active labour market policies (European Commission, 2007). The key argument promoted by Eurociett, PRES' European organisation, is that more cooperation between PES and PRES is needed because the increasing diversity of labour market

needs calls for more specific know-how and employment services which PES cannot deliver alone. Therefore, there is a need to share tools, expertise, and know-how and to provide complimentary/tailor-made services to unemployed people and companies (Eurociett, 2007).

Implications for the analytical framework
Consequently the analytical framework will also focus on the cooperation between PES and other service providers and how such cooperation can be conducive to a flexicurity approach. This will also include an analysis of challenges of barriers to organising cooperation and complementary service delivery. As the OECD (OECD, 2005) has stressed, in a quasi-market, in which many employment services find themselves, two main results need to be avoided. Institutional arrangements must prevent 'gaming", i.e. the artificial manipulation of outcome measures, and 'creaming'/'parking', i.e. the services provider's failure to enrol or support disadvantaged clients while focusing resources on those that can easily be helped into work.

3.2. A European policy framework for flexicurity

This section gives an outline of the flexicurity policy framework that has recently been established by the European Union, the European Social Partners and various other actors, including academic scholars.

The concept of flexicurity

Flexicurity has come to the centre of European policies as a response to the challenges described above. The word flexicurity is constructed from the words 'flexibility' and 'security' and describes configurations of policy that combine employment and income security with flexible labour markets, work organisation and labour relations. This approach transcends a simple trade-off between flexibility and security, where the former is seen to be in the exclusive interest of the employer and the latter in the interest of the employee. Flexicurity is sometimes described as an integrated policy strategy to enhance, at the same time and in a deliberate way, the flexibility of labour markets, work organisations and employment relations on the one hand and employment security and social security on the other (Wilthagen & Tros 2004).

In this study, we will refrain from attempts at an academic definition of flexicurity, as we are aware that conceptual discussions are ongoing. Instead, we will base our analysis of PES' role in enhancing flexicurity on the components and common principles, which have been identified because of European policy processes.

The components of flexicurity

As already indicated, the European Commission has further concretized the concept of flexicurity by discerning four components of flexicurity[7]. The components are outlined in the box below

Four components of flexicurity

1. Flexible and reliable contractual arrangements (from the perspective of the employer and the employee, of ''insiders'' and ''outsiders'') through modern labour laws, collective agreements and work organisation;
2. Comprehensive lifelong learning (LLL) strategies to ensure the continual adaptability and employability of workers, particularly the most vulnerable;

[7] These four components were included in the January 2006 Annual Progress Report. The 2007 Joint Employment Report, adopted by the EPSCO Council in February 2007, refers to these components.

3. Effective active labour market policies (ALMP) that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs;
4. Modern social security systems that provide adequate income support, encourage employment and facilitate labour market mobility. This includes broad coverage of social protection provisions (unemployment benefits, pensions, and healthcare) that help people combine work with private and family responsibilities such as childcare.

Source: European Commission (2007b)

The European Commission states that a constructive social dialogue between the social partners and well-developed industrial relations represent a precondition to design and implement a flexicurity system in line with these components. Moreover, and equally important, the four components belong together. Flexicurity as an integrated policy approach addresses these issues at the same time, and consequently the components should be taken into account simultaneously, not selectively. This implies that although the second component, efficient active labour markets relates to employment services most directly, the other components are also relevant to aligning these services with flexicurity.

Common principles of flexicurity

At the time of writing this report, flexicurity has become a key policy concept within the European Employment Strategy as documented, in particular, by the adaptation of Common Principles on Flexicurity by the European Council on 5 December 2007[8], the report and resolutions on flexicurity from the European Parliament on 29 November 2007[9], the joint labour market and flexicurity analysis presented by the European social partners on 18 October 2007[10], the Communication on flexicurity by the European Commission dated 27 June 2007[11] and Guideline 21 of the Integrated Guidelines. The latest steps is the development by EMCO of a set of Flexicurity Indicators (EMCO 2008)

A general European policy framework has now been established, and the task is now to make flexicurity work constructively. This implies that national governments, the social partners, and labour market actors should move centre stage, as it is widely acknowledged that there is no blueprint or one size fits all for the development of flexicurity. The question to be addressed is: "How can EU Member States move towards flexicurity in a constructive and well-balanced way, given their different starting positions, and how can they reach common progress"? Again, labour market institutions such as employment services fulfil an essential role in this process and their development and reform needs and can be undertaken from a flexicurity point of view. In the following we will briefly describe the core elements of the European flexicurity policy framework with a particular eye on the role and significance of employment services and active labour market policies.

Integrated guidelines

Since 1997, the European Employment Strategy has included targets and guidelines addressing flexibility as well as security. However, these guidelines have now been consolidated under the heading ‘flexicurity’. Guideline 21 of the integrated Guidelines of the European Em-

[8] 16201/07, SOC 523 ECOFIN 503
[9] 2007/2209(INI)
[10] “Key challenges facing European Labour Markets. A Joint Analysis of the European Social Partners’, available at http://www.etuc.org/a/4119
[11] COM(2007)0359)

ployment Strategy currently reads 'Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners.'

Common principles

In order to aid implementation and strengthen policy coherence, the European Council has recently agreed upon eight common principles of flexicurity. The principles are summarized in the box below.

Common principles of flexicurity

1. Aim at more and better jobs, modernise labour markets, and promote good work through new forms of flexibility and security (…).
2. Look for deliberate combinations of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, *effective active labour market policies*, and modern, adequate and sustainable social protection systems.
3. Flexicurity approaches are not about one single labour market or working life model, nor about a single policy strategy (…)
4. *Promote more open, responsive, and inclusive labour markets overcoming segmentation. Support all those in employment to remain employable, progress and manage transitions both in work and between jobs.*
5. Internal (work organisation, working hours within the company) as well as external flexicurity (*job to job transitions*, adjusting staff size) are equally important and should be promoted.
6. Support gender equality, by *promoting equal access to quality employment for women and men* and offering measures to reconcile work, family and private life.
7. Flexicurity requires a climate of trust and broadly-based dialogue among all stakeholders (…)
8. Flexicurity requires a cost effective allocation of resources (…).

Source: European Commission (2007b), our italics

All common principles bear relevance to the operation of effective employment services and labour market policies. Principles 2, 4, 5 and 6 do so in particular as the phrases in italics indicate. Clearly, the further development of employment and transition security appears as a chief responsibility for employment services. These principles will be taken into account in our analysis of PES practices and the conditions concerning other components of flexicurity.

Whatever, in practice, the situation of a country according to the components and principles of flexicurity, it is evident that the PES play an important role in implementing the ALMP component of a flexicurity strategy. The efficient matching of workers to jobs is crucial for a flexicurity strategy as is the implementation of active labour market measures contributing to enhancing the employability of employees and the unemployed and ensuring efficient transitions between different labour market situations. The ability of PES to handle these tasks efficiently is influenced by framework conditions such as labour and tax legislation, conditions for entering into training or education, etc. It is also to a large extent the result of how PES are organised and how they cooperates with their stakeholders, partners and contractors on delivering services, or in other words: PES practice.

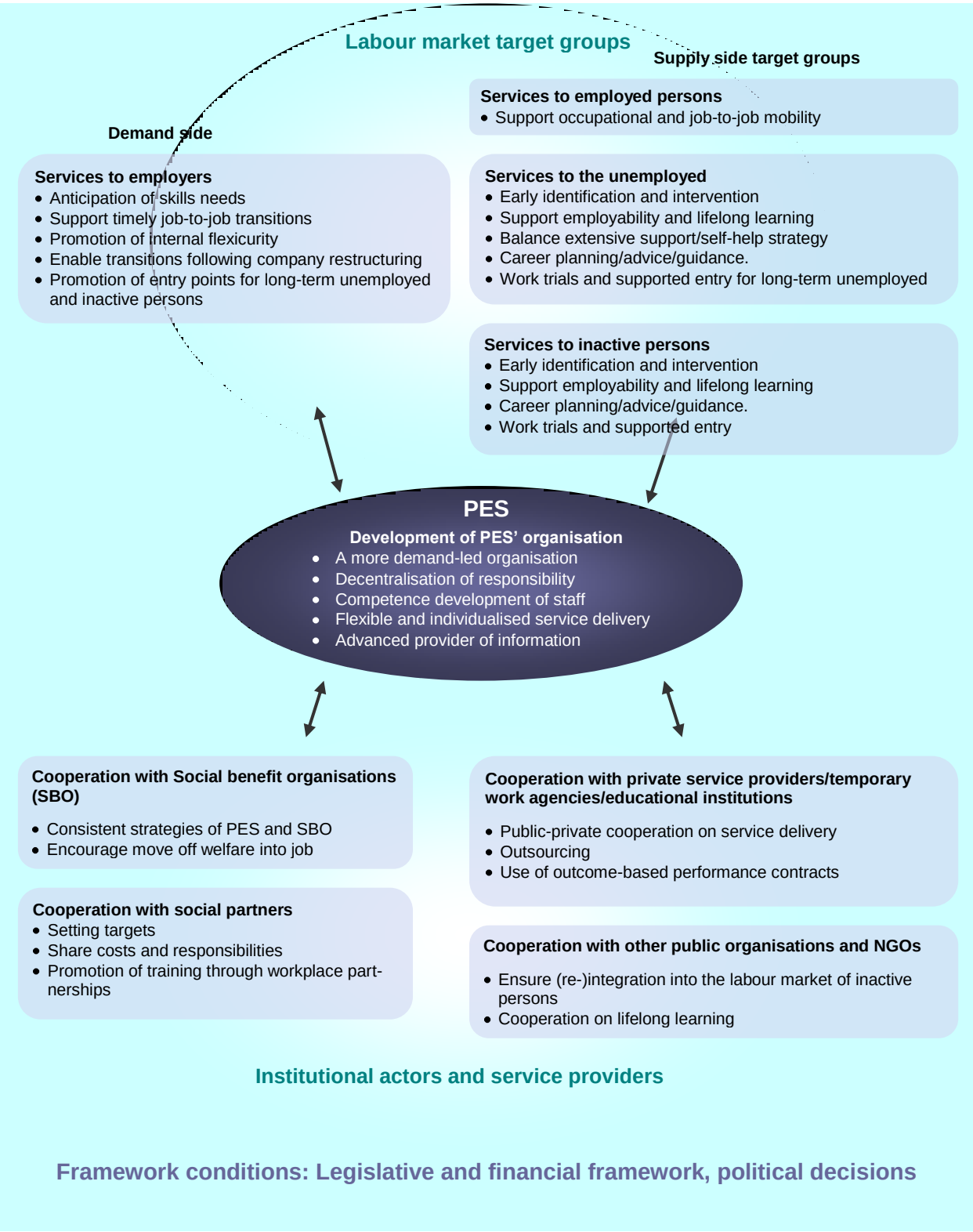
3.3. An analytical framework of PES supporting flexicurity

Of the four components of flexicurity mentioned in the foregoing, an analytical framework will primarily address effective ALMP. However, as there are strong interdependencies be-

tween the four components, the framework cannot be limited to ALMP, the framework needs to consider the remaining three components as they relate to (or form part of) ALMP and/or influence the scope for the contribution of employment services to ALMP.

Figure 1 below outlines an analytical framework that hypothesises roles and functions of PES conducive to flexicurity, taking into account the insights, analytical models and the flexicurity analysis depicted in the previous sections. The analytical framework takes as its point of departure an 'archetypical' PES organisation separate from social benefit organisations which is thus not directly responsible for the payment of (social or unemployment) benefits.

Figure 3.1: Analytical framework – PES activities supporting flexicurity



A key assumption of the analytical framework is that to be active in implementing flexicurity, PES cannot act alone but depend on a network of users/customers and partners/contractors. Therefore, the analytical framework maps relationships between PES and other ac-

tors/organisations that are hypothesised to be conducive to flexicurity, both labour market actors and institutional actors.

Companies/employers and job changers

PES may contribute to successful restructuring processes and to the prevention of long-term unemployment through proactive cooperation with employers/firms. The implementation of flexicurity can, for example, involve the following key elements.

Flexible and responsive service in case of company restructuring and mass redundancies
PES may have a critical role to play in the event of plant closures or company restructuring. A proactive approach implies that emphasis is put on the placement of the workers to be made redundant into other jobs rather than on benefit schemes and compensation payments. The role of PES in such cases may involve managing staff that cannot be kept in the company; managing the local impact of the restructuring; and helping to reorganise the new firm and its workforce rapidly.

The UK Rapid Response Service Teams (RRS) established 2002 provide an example of such a flexible and responsive service, including information, advice and guidance to workers facing redundancy, retraining programmes or consultancy for the company concerned. The RRS is not invoked for every significant redundancy, but may be brought in where there are particular concerns or needs.[12]

Supporting timely job-to-job transitions
Flexicurity requires workers to be geographically and occupationally mobile. PES may support mobility and employability for employees facing unemployment for competition reasons as well as contributing to the mobility of people in jobs.

A proactive approach of PES in the case of restructuring and potential redundancies entails that the search for a new job is not delayed until the worker has been made redundant, but starts immediately when it becomes clear that redundancy is likely. In the Netherlands, recognition of non-formal and informal learning has been used as a tool in a mobility centre created in collaboration with PES with the purpose of alleviating the effects of large-scale restructuring by helping the affected workers into new employment. The centre was the result of a joint effort between all the main stakeholders, i.e., the Centre for Work and Income, the trade unions, the employers' association, and the KBB.

PES may also work with employers, social partners, local and regional authorities, and temporary work agencies to organise off-the job placements and prevent redundant workers becoming (long-term) unemployed. Another tool for PES may be to organise transition guarantees for redundant workers, to be borne jointly by employers, social partners, and PES.

Concerning workers in jobs, PES can work to ensure that information about vacancies is accessible, for example through public databases. PES may also cooperate with other actors to provide career counselling and retraining making it easier for workers to take up occupations in areas where manpower is sought.

[12] The RRS approach and its transferability is discussed in The Mutual Learning Programme of the EES : http://www.mutual-learning-employment.net/peerreviews/2003/04/14-15

Anticipation of future skills needs
A proactive and preventive approach of PES should not be confined to restructuring and crises involving mass redundancies. Continuous cooperation with employers, education and training institution, and social partners is called for to anticipate skills needs and make targeted investments in training that improve the employability and (upward) mobility of employees. The individual employee may be encouraged to take responsibility for updating his/her skills using instruments such as personal and professional development plans. A key task of PES may be to organise information and guidance about training needs and opportunities in cooperation with guidance services.

Unemployed job seekers

With increasing flexibility of the labour market, the duration of employment contracts tends to decrease while self-employment, part-time, and temporary employment increases. Also evident is a greater variation in working hours. Consequently, the group of unemployed job seekers is increasingly diverse, confronting PES with the challenge of providing service not to only (long-term) unemployed but also to those who are experiencing frequent short intervals of unemployment.

Key elements of the cooperation with the unemployed may include:

Early identification and intervention
As emphasised in the European Employment Guideline No 19, PES should adopt a preventive proactive approach to the support of the unemployed including early identification of needs, job search assistance, guidance and training as part of personalised action plans. Provision of necessary social services should be ensured to support the inclusion of those furthest away from the labour market and contribute to the eradication of poverty.

To underpin flexicurity, PES may focus on shortening unemployment spells, ensure that vacancies are filled speedily and efficiently and provide high levels of customer service from the initial point of contact. To encourage jobseekers in their activities, an active 'work first' approach may be adopted whereby reception of unemployment benefits is made conditional on participation in active measures, including guidance, training and other appropriate support measures. This in turn requires cooperation with the organisation(s) managing unemployment and/or social benefits.

Training and education programmes are key measures to improve unemployed job seekers' employability. This implies that PES should promote lifelong learning as a way of life among job seekers at all ages. A key element in lifelong learning is the recognition of prior learning. While education and training institutions may be responsible for this, PES may play a role as an active promoter, strategic partner, or coordinator.

Balance extensive support with a self-help strategy
The diversity of needs of unemployed job seekers requires a PES service model in which active labour market measures are tailored to these needs. A key challenge is to balance targeted extensive support with a self-help strategy. While some people may not require participation in an active measure at all, active labour market measures are essential for others to gain skills or work experience to achieve sustainable integration in the labour market. Some of the un-

employed job seekers may be helped by PES providing computerized self-help services while other more vulnerable clients need more in-depth help from PES staff.

The experience with job search assistance demonstrates that training measures, which often constitute the bulk of active measures, prove to be effective if they are targeted at the needs of particular groups such as women re-entering the labour market or immigrants. Non-targeted training programmes and those of long duration have less convincing results.

The in-depth help to vulnerable groups should address inactivity and raise activation while unemployment benefits are paid. Building pathways to work and training with an effective use of preventive and active measures, including intensive coaching, is important.

More intense activation and training is required for the redeployment of senior workers at risk of becoming long-term unemployed. Integrating young people into the labour market is also a key concern as the unemployment rate for young people is typically double that of adults in several countries.

Private actors/temporary work agencies/educational institutions

The labour market has become so complex that no single service provider can possibly deliver the range of expertise required. This requires that PES moves away from being a largely self-sufficient organisation and assumes the role of an organisation that develops and manages specific relations with other agencies in the delivery of services. Additionally, collaboration with partners may become inevitable where the ranks of the unemployed swell, at the same time as staff resources are insufficient, or become depleted due to policy decisions to reduce personnel in the public-service sector. In other models, the PES will focus its direct service provisions on particular target groups while maintaining a market regulator role in relation to private sector provision to other target groups (Freud, 2006).

Public-private cooperation on service delivery

A more demand-driven organisation of PES meeting changing customer needs, may require that PES' service delivery effectively cooperate with other actors and service providers in the labour market, such as private employment agencies, social welfare and educational institutions. In other words, the approach implies emphasis on complementing, rather than competing with others.

The job-search assistance programmes delivered may include self-help provision, group activities (in the form of job clubs, job fairs and workshops), and individual assistance (in the form of vocational guidance and intensive counselling programmes). PES' role may at least be to refer participants to such programme while the implementation of courses may be outsourced to private employment agencies or other providers.

One of the key challenges that the PES has to confront, is that of striking the right balance between, on the one hand, encouraging innovative, flexible and context-sensitive responses in its decentralised mediation between clients and local labour markets, and, on the other hand, maintaining standards across the whole range of providers, thus ensuring that citizens, irrespective of their geographical or social location, have guaranteed access to the same quality of service that they are entitled to. In addition, it creates challenges in managing performance

among disparate organisations operating at arms length, while avoiding creating perverse incentives for inappropriate or counter-productive behaviour.

Cooperation with providers of training and education
Education and training has been an integral element in ALMP since the concept of ALMP was first coined back in the mid-1980s. However, training measures have sometimes been less efficient when it came to improving the job chances of unemployed workers. This has often been the case where the acquired qualifications did not match the skills needs of the labour market. Hence, an important role for PES is to cooperate with providers of training and education, be they public or private, to ensure that training offers are geared to actual skills needs. At the same time, however, training should also equip the unemployed in the best possible way to participate in lifelong learning activities within or outside a place of work.

Social partners

Partnership with social partners
The success of PES programmes, especially in areas such as labour market adjustment programmes, may be greatly eased with support from the social partners. Closer partnerships between business, social partners, the public sector and private providers are also critical to improve the interface between supply and demand for learning. Such partnerships may ensure better anticipation of skills needs, more durable agreements on concrete targets and a more balanced sharing of costs and responsibilities.

Consequently, the flexicurity approach requires PES to develop partnerships with social partners at different levels: At national or regional level to qualify ALMP and the anticipation of skills needs, at local level to deliver programmes adapted to local needs.

Close relationship in the form of partnerships or close cooperation between social partners and PES finally increase the ownership of social partners to programmes and measures of the PES and hence contributes to efficient implementation of these measures.

Social benefit organisations (SBO)

The administration of unemployment benefits, which involves contribution-based unemployment insurance and state-funded income support, is an important factor influencing the job-broking work of PES. In some countries, PES directly administers the schemes of social benefits; in others, the administration is separated from PES organisation. In either case, PES is involved because it registers claimants and checks their continuing eligibility and fulfilment of job-search obligations. In other words, PES managers cannot separate themselves from benefit issues, as the PES has a key role in encouraging people to move off welfare into work.

Consistent strategies of PES and the SBO
The involvement of PES in the social benefit issues is a challenge because PES has to balance its policing role in relation to unemployment benefit and its role as job-broker aiming to encourage and motivate the job seeker.

Whether the most effective solution is to merge PES and the SBO in one organisation is an open question. Irrespective of whether social benefit agencies merge or remain separate, it is important that the strategic objectives are consistent and remove tensions between the success criteria of PES and social benefit organisations. ALMP and social security should offer suffi-

cient opportunities and incentives in terms of increased conditionality of benefits, to return to work and to facilitate this transition. Long-term welfare dependence should thus be prevented.

Development of PES' internal organisation

The flexicurity approach means that PES adapts its organisation and staff to its role as a pro-active and preventive actor. Some of the key aspects of this organisational development are:

A more demand-led organisation

The needs of customers – both jobseekers (unemployed and job-changers) and employers – are clearly the starting point for the PES to develop its customised services. This means that PES may need to emphasise the needs of the labour market and demand-driven ways of working.

A demand-driven organisation requires a closely integrated delivery of the various PES functions. The integration may be achieved through 'one-stop shops' at local level and through tiered service delivery. The integration of services should systematically differentiate the service provided to different clients according to their needs.

Furthermore, PES may operate in competitive service delivery with employment agencies and other private actors and demonstrate ability to ensure cost-effective results. The more proactive working methods of PES involving labour market analysis, anticipation of skills needs and developing closer working relationships with employers mean that ongoing customer feedback should be an important part of its service model.

Decentralisation of responsibility

There is growing recognition that labour markets change rapidly, that this change has regional/local dynamics and specificities, and that PES clients are diverse with their varied needs being influenced by the structure of local employment opportunities. Strong centralised management of such complex and varied realities and needs has increasingly been deemed inappropriate. Instead, increasing autonomy and decision-making power are being devolved to the regional and local offices on the grounds that, in principle, they are more aware of and in a better position to respond to the specific needs of clients in that locality.

Consequently, a more demand-driven organisation of PES, with its management by objectives and customised services may require decentralisation of authority and responsibility to local managers and staff to adapt services more closely to local needs.

Competence development of staff

The development of PES staff and their competencies is critical to the delivery of quality service to customers. A key challenge is to create sufficient capacity in employment services to offer personalised guidance, counselling and advice to job seekers, as well as adequate access to active labour market measures. Delivering proactive and preventive active labour market measures requires highly efficient employment services able to offer personalised counselling and guidance services to each job seeker. The role of PES staff is to maintain active job search through case management and to offer intensive placement activities, follow-up advice and monitoring after participation in a programme.

These tasks call for qualified staff in sufficient numbers, the use of ICT, decentralisation of PES, management by objectives and increased co-operation between public and private services.

Flexible and individualised service delivery
The PES service model should be based on flexible and individualised service delivery. The service delivery should be multi-channelled with systematic use of internet based self-service, individually tailored services to employers, jobseekers and those customers who need more help. An increase in self-service facilities will allow staff resources to be assigned to more intensive support for the most disadvantaged job seekers.

Advanced provider of information
A key rationale of PES is to improve labour market transparency. This is even more important in a flexicurity context, where flexibility in the labour force largely presupposes transparency. PES is both a producer of labour market information (often as a by-product of its day-to-day operations) and a user and interpreter of labour market information. With the greater sophistication of many employers and jobseekers, there is a growing market for unbiased and clear information about trends in the labour market. Effective labour market information increasingly requires specialist staff resources.

The role of performance management
Recent decades have seen various waves of public sector reform to make the delivery of public services more accountable and to improve performance, often relying on increased use of management and performance information. However, systems of measuring performance need to be adapted to suit the changing remit and function of organisations and systems. Performance management systems also need to ensure that counterproductive incentives are avoided, especially where several organisations operate in the same system with often potentially conflicting motivations. This is especially the case in relation to modern PES where public provision is often decentralised to meet local needs and reliant on a mixture of contracted private and public sector partners as well as other organisations with related goals (perhaps operating with European Structural Fund support).

4. PES and flexicurity – status and good practice across Europe

This chapter analyses how and to what extent the roles, functions and services of PES across Europe are conducive to a flexicurity approach. To analyse PES in relation to flexicurity we will apply the analytical framework presented in Chapter 3 above, which maps relationships between PES and other actors/organisations that are hypothesised to be conducive to flexicurity. The roles and functioning of PES across countries will be described and measured against the normative, strategic elements of the framework.

4.1. Job seekers

This section analyses PES services to 'job seekers' including unemployed people as well as employed job seekers, or potential jobseekers. We have chosen to include unemployed people and employed job seekers in the same section as some of the PES services, such as labour market information and measures to develop skills and employability measures that may be provided to both groups.

Based on the theoretical considerations in Chapter 3 it can be hypothesised that a flexicurity approach to unemployed people and employed job seekers implies the following main normative elements:

- timely and advanced labour market information
- preventive approach based on early identification and intervention
- diversification and individualisation of services
- training and improvement of employability
- balance extensive support with a self-help strategy
- incentive to move from unemployment benefit into work.

Based on the survey of PES across Europe, case studies, and desk research the following sections analyse the role of PES with a view to these normative implications.

Timely and advanced labour market information

The emerging 'knowledge economy', which places premium on education and modern communication skills, gives rise to an increasing number of highly educated people who form a growing market for information about jobs and the labour market. The speed of change means that people constantly need to update their education and skills if they are to compete in the labour market. The growing sophistication of employers and jobseekers' information needs constitutes a growing market for labour market information provided by PES. It creates a growing demand for advanced labour market information. PES can both be regarded as a producer of labour market information on job seekers and vacancies and, typically, as a by-product of its day-to-day registrations, and as a user and interpreter of labour market information. Tables 4.1 and 4.2 below display the labour market information provided by PES to unemployed and employed job seekers.

Table 4.1: Does PES provide the following services to unemployed job seekers?

Service	No	Yes, to all unemployed job seekers	To some unemployed job seekers	Planned for the future	Total
Systematic collection and provision of labour market information (vacancies/skills needs)	0	24	2	0	26
Employer notified vacancy information	0	25	0	1	26
Employer notified vacancy information through onsite computer terminals	6	17	1	2	26
Employer notified vacancy information through website	1	24	0	1	26

Table 4.2: Does PES provide the following services to employed job seekers?

Service	No	Yes, to all employed job seekers	To some employed job seekers	Planned for the future	Total
Systematic collection and provision of labour market information (vacancies/skills needs)	1	22	0	3	26
Employer notified vacancy information	2	21	2	1	26
Employer notified vacancy information through onsite computer terminals	7	16	1	2	26
Employer notified vacancy information through website	1	23	0	2	26

Source: Survey among PES directors 2008.

The survey indicates that PES in most of the 26 European countries, who answered the survey, provides basic labour market information services such as systematic collection and provision of labour market information (vacancies/skills needs) and employer notified vacancy information to unemployed people as well as employed job seekers.

Increasingly, advanced labour market information is being made available electronically. Electronic access allows the information to be delivered faster in self-service systems tailored to user needs. Looking across Europe, however, the implementation of electronic access is still in a developing phase as the use of ICT and the Internet in the provision of labour market information is not fully developed in all countries. Most countries provide employer notified vacancy information through websites to the unemployed (except EE, IT) as well as employed job seekers (except EE, EL, IT). 16-17 countries reply that they provide employer notified vacancy information through onsite computer terminals (IS, LV, NO, PL, RP, SI do not). Such services are planned for the future in Bulgaria and Italy.

In summary, PES in most countries increasingly provide nation-wide vacancy databases which job seekers can easily access electronically at local labour offices and other public

premises, or consult on the Internet. This makes it easier for job seekers to review current vacancies and contact employers, directly or with a minimum of PES involvement.

Such enhanced market information is likely to make labour markets more flexible than in the past, thereby facilitating workforce adjustments to structural change. In 2000, Sweden estimated that 15 % of the labour force consulted the vacancy register once a month. Many of the consultations are from persons in employment and many of them may not be looking for a new job but simply considering their potential in the open labour market. (OECD 2001).This indicates that the increased labour market transparency benefits unemployed as well as employed people, potential job seekers and employers.

Transparency of the local labour market to job seekers and employers

For PES, the increasing flexibility and diversity of the labour market represent the double challenge of supporting unemployed jobseekers in the transition to employment and to offer services to employers to improve labour market transparency. In Eastern Europe, e.g., Poland and Slovenia, high economic growth has caused labour shortages in many sectors and a mismatch between demand and supply.

In order to handle such challenges information services must be organised at regional or local level to ensure that the local labour market is transparent.

Case 15, 'Job Fairs' from Slovenia is a relevant example of good practice. The regional employment offices have organised a new job fair concept based on a broader approach of local/regional partnerships between ESS regional offices with employers, educational institutions, municipalities, employers' organisations, private employment agencies, NGOs and other stakeholders. The job fairs are prepared together with regional and local partners and include information elements that bridge the needs of job seekers and employers:

- information and recruitment stalls (booths) of employers
- presentations of occupations in demand and skills needs by individual employers
- presentations of educational and training programmes by schools
- presentation of ESS services and activities
- presentations of job offers and services by private employment agencies
- workshops about job-search skills, self-employment, possibilities for voluntary work in NGOs, etc.
- information about employers' examples of success stories (e.g. employment of persons with disabilities, elderly workers, young persons in their first job, re-employment of redundant workers, etc.)
- round tables with stakeholders about specific labour market topics, etc.

The lesson of the case is that the bottom-up approach, based on local initiatives, is an important success factor. Public relations activities (media coverage) have contributed to the success.

Preventive approach based on early identification and intervention

As emphasised in the European Employment Guideline No 19, PES should adopt a preventive proactive approach to the support of the unemployed including early identification of needs, job search assistance, guidance and training as part of personalised action plans. Provision of necessary social services should be ensured to support the inclusion of those furthest away from the labour market. To encourage jobseekers in their activities, an active "work first" approach may be adopted whereby receiving unemployment benefits is conditional on participation in active measures, including guidance, training, and other appropriate supports.

The survey indicates PES in many European countries as being very attentive to a preventive approach based on early identification of needs and risks of the unemployed. In many countries, PES emphasise 'as early as possible' an essential principle. This means that a focused, problem-oriented range of activities must be initiated at an early point and that the aim is to keep the unemployment spell as short as possible and prevent long-term unemployment. In addition, in some countries PES apply the principle that early activation is of particular importance to the most disadvantaged groups of unemployed people, e.g., young people without work experience and ex-prisoners.

When asked for examples of good practices of effective strategies numerous examples concern early intervention and preventive strategies towards the unemployed. Below you will see some of the different strategies:

- *Early profiling of the unemployed*
  In Germany, e.g., PES look at four components to determine the profile classification of a job seeker as the foundation for further action: personal factors (motivation), personal qualifications (skills, formal education), objective obstacles (care situation, disability) and regional labour market context.

  In Austria, early identification of the needs guides the selection of unemployed people without self-helping capacities who get more intensive coaching and support from the beginning.

  In the Netherlands and Luxemburg, tests of competencies and employability are applied in the profiling process.

  In Finland, early intervention implies that PES start the service process (profiling, action individual action plan, assessment of the service needs) within 2 weeks.

- *Regular personalised follow-up procedures*
  PES in Denmark, use regular interviews with the unemployed who must also do weekly on-line reporting on their job-seeking activities.

  In Belgium/Walloon Region, an individual Forem referee is appointed for each job seeker to which the jobseeker has to account for his or her job seeking activity once a month, for no more than 24 months).

- *Motivate the unemployed to get a job quickly by making employment benefits conditional*
  In Iceland, income-based employment benefits (proportion of before-earned salary) are only offered for three months. This is considered to strengthen unemployed peoples' incentive to find work, change careers or to participate in labour market measures.

  Another example is Slovenia where there is close cooperation between PES and social welfare centres in dealings with social assistance recipients; their obligation is active job-search.

- *Training and up-skilling*
  In Romania, vocational training programmes for all registered jobseekers are free of charge. Similarly, in Ireland unemployed people are given access to a free telephone service to obtain information on job vacancies, training/employment programmes.

Such examples indicate that the principle of early intervention and individualised contact has become standard across most countries. Case studies indicate that a main challenge is to balance the principle of early intervention with selectivity. Consequently, a key question is how often, in what way, and at what moment individual contacts with the unemployed should take place.

Following a general principle of early intervention from the day of registration implies a considerable quantitative workload as all clients are guaranteed some standard services within a short time. Practising the same frequent personalised contact pattern for all unemployed clients without profiling and segmentation may be an inefficient use of resources as a considerable number of unemployed people find a job within the 3-6 months (Heyma & Ours, 2005).

In contrast, PES in Austria distinguishes between unemployed people belonging to either the 'Service Zone' or the 'Counselling Zone. The Service Zone assists 'job-ready' individuals who have considerable potential to help themselves while clients are referred to the Counselling Zone if they have not found work within the first 3 months. In addition to the services available from the Service Zone, the Counselling Zone also offers a detailed problem analysis and more extensive assistance measures, as well as support from outside experts.

Similarly, in the UK, PES services to jobseekers increase the level of support provided as the length of unemployment increases and provide early activation for clients at most disadvantage. This 'graduated' model is based on the fact that 60% of jobseekers find work within 3 months and 95% within a year (PES Monitor).

Active and individualised services

Up to the 1970s, the main focus of PES was on job-broking which can be described as the classic labour exchange process through which PES, or private employment agencies, arrange for job seekers to find jobs and for employers to fill vacancies. As unemployment levels across much of Europe deepened, PES increasingly adopted active labour market policies, purposefully engaging in labour market adjustment programmes to address the major upheavals caused by mass redundancy and unemployment.

Table 4.3: Do PES provide the following services to unemployed job seekers?

Service	No	Yes, to all unemployed job seekers	To some unemployed job seekers	Planned for the future	Total
Job broking (helping unemployed people to find and apply for appropriate vacancies)	0	25	1	0	26
Job search assistance (helping people to search and identifying sources of vacancies)	0	24	2	0	26
Active job broking (preselection of suitable candidates from the register for particular vacancies)	2	18	6	0	26
Jobs/recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	1	19	5	1	26
Temporary work trials/placements	3	10	11	2	26
Group activities (such as 'job clubs' or workshops)	2	10	13	1	26
Vocational/careers advice	0	16	10	0	26

Source: Survey among PES directors 2008.

The survey indicates that PES in 25 countries that answered the survey provides basic job broking, i.e., helping unemployed people to find and apply for appropriate vacancies, to all unemployed job seekers. In Greece, only some unemployed job seekers are offered the service.

Many countries also provide jobs/recruitment fairs, defined as events where job seekers can meet potential employers with vacancies or learn more about different occupations. In most countries (19 of 26 countries) PES offer such services to all unemployed while Austria, Ireland, Italy, Malta and the UK provide this service to some unemployed people.[13] In most countries, PES provide temporary work trials/placements for selected groups of unemployed who needs this help (except CY, EE, IT, MT, RP). The same pattern applies to group activities (such as 'job clubs' or workshops) (CY, IS, IT do not provide this service).

The table below shows that PES in many countries also provides job search assistance, vocational/careers advice or jobs/recruitment fairs to employed job seekers. PES services that re-

[13] Iceland does not provide this service at all whereas Hungary is planning to provide the service in the future.

quire more intensive support, such as active job broking, group activities and temporary work trials are provided in fewer countries.[14]

Table 4.4: Do PES provide the following services to employed job seekers?

Service	No	Yes, to all employed job seekers	To some employed job seekers	Planned for the future	Total
Job search assistance (helping people to search and identifying sources of vacancies)	7	16	3	0	26
Vocational/Careers advice	4	16	4	2	26
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	7	17	4	0	26
Active job broking (preselection of suitable candidates from the register for particular vacancies)	11	11	4	0	26
Temporary work trials/placements	21	5	0	0	26
Group activities (such as 'job clubs' or workshops)	17	4	5	0	26

Source: Survey among PES directors 2008.

With increasing labour market flexibility the group of unemployed job seekers is increasingly diverse, confronting PES with the challenge of providing services not only to (long-term) unemployed but also to those who are experiencing frequent short intervals of unemployment. Consequently, a flexicurity approach implies a further diversification and individualisation of job-broking in the form of more intensive, personalised services such as career guidance.

Individualisation of the job broking and other services is an essential element of a preventive strategy to combat long-term unemployment. Individual case management replaces previous service approaches, in which PES organised their interventions primarily to address certain target groups, defined according to duration of the unemployment spell and/or socio-demographic characteristics.

Improving the employability of the unemployed

The European Employment Strategy (EES) stresses in Guideline 1 that the unemployed at an early state of their unemployment spell should benefit from access to effective measures, such as advice and guidance, job-search assistance and personalised action plans to enhance their employability and chances of integration. Training and education programmes are key measures to improve unemployed job seekers' employability. This implies that PES should promote lifelong learning as a way of life among job seekers at all ages. A key element in lifelong learning is the recognition of prior learning. While education and training institutions

[14] Active job broking for employed job seekers is provided in: BG, CY, CZ, DK, EE, FR, DE, HU, IS, MT, PL, SE, NL. Group activities for employed job seekers are provided in: BG, CZ, EE, FR, HU, LV, LT, PL, NL. Work trials for employed job seekers are provided in: CZ, DE, IS, PL, NL.

may be responsible for this, PES may play a role as an active promoter, strategic partner or coordinator.

The survey indicates that PES IS in a process of taking this guideline into account in their career guidance service delivery.

In Belgium/Flemish Region, Bulgaria, Denmark, Hungary, Italy, Malta, Poland, Portugal and Romania PES provides training and education programmes to all unemployed job seekers. In Austria, Belgium/Walloon Region, Czech Republic, Estonia, Ireland, Norway, Slovenia, Sweden and the UK these services are provided to selected groups of unemployed only.

Furthermore, many European countries provide services to enhance the job-seeking competencies of the unemployed. PES in all the 26 countries that answered the survey report that they offer direct provision of support/coaching for employability skills to all or selected groups of unemployed people. The employability skills to be supported are soft skills/competencies such as time keeping, personal presentation, communication, CV and application writing, and interview performance. Most countries also provide referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications) (except BG, HU, IS, IT, MT, RP, NL). Such services are typically provided to selected groups of unemployed people.[15]

At the same time, most countries (17 of the 26 countries that answered the survey) provide unemployed automated/self-service job broking, matching of jobseekers to vacancies without interaction with PES staff. France, Spain and Iceland do not provide this service whereas Bulgaria, Cyprus, Estonia, Ireland and Romania plan to do so in the future.

As to employed job seekers, direct provision of training and education are only provided in Austria, Belgium/Flemish Region, Bulgaria, Czech Republic, Finland, Hungary, Ireland, Italy, Malta, Romania and the UK. Likewise, support for employability is only provided for in Bulgaria, Italy, Poland, Romania and the Netherlands. Employed job seekers in most countries are offered the opportunity to use automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff) (except FR, ES, IT, RP). Cyprus and Estonia are planning to provide this service in the future.

Table 4.5: Does PES provide the following services to unemployed job seekers?

Service	No	Yes, to all unemployed job seekers	To some unemployed job seekers	Planned for the future	Total
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	7	8	10	1	26
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and inter-	0	14	12	0	26

[15] The service is provided to all unemployed job seekers in: DK, FI, FR, DE, LV, NO.

view performance)					
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	6	6	14	0	26
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	4	16	1	5	26

Source: Survey among PES directors 2008.

Table 4.6: Does PES provide the following services to employed job seekers?

Service	No	Yes, to all employed job seekers	To some employed job seekers	Planned for the future	Total
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	19	4	1	2	26
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	19	4	2	1	24
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	5	18	1	2	26

Source: Survey among PES directors 2008.

These results indicate that in most countries PES provide services for selected groups of unemployed people who need intensive support and coaching for employability skills and self-help systems to be used by all job seekers. This indicates that self-service systems for job broking are becoming the norm. The implementation of self-service systems is an essential measure for PES to strengthen their market position and to improve efficiency (especially regarding labour market matching) in terms of time, costs and service quality. It is also a viable tool to reach new clients, especially more employers and people who are still in work but looking for new career opportunities (EU-Commission, 2001).[16]

Extensive support balanced with self-help strategy and self-service systems

The diversity of needs of unemployed job seekers requires a PES service model in which active labour market measures are tailored to these needs. A key challenge is to balance targeted extensive support with a self-help strategy. While some people may not require participation in an active measure at all, active labour market measures are essential for others to gain skills or work experience to achieve sustainable integration on the labour market. Some of the unemployed job seekers may be helped by PES providing computerized self-help services while other, more vulnerable customers need more in-depth help from PES.

In other words, a flexibility approach requires differentiation and selectivity in the provision of extensive, personalised job-broking.

The survey results above indicate that this approach is developing in most European countries. In most countries PES offer *active* job broking defined as the pre-selection of suitable candidates from the register for particular vacancies (except BE/Walloon Region, LT). All countries offer vocational/careers advice. Additionally, the majority of countries provide job creation programmes (public sector work programmes) (except LT, MT, NL).

Extensive and personalised job-search assistance provided to selected groups of unemployed people typically depend on selectivity criteria related to the length of unemployment spell and the specific needs of the unemployed.

Early profiling, conditional benefits and self-service: 'Jobnet in Denmark'

The sections above show that a flexicurity approach represent several considerations which should be balanced by PES.

A main challenge is to balance the principle of early intervention with selectivity. Early intervention from the day of registration implies a considerable quantitative workload as all clients are guaranteed some standard services within short time. Consequently, this requires an adequate profiling distinguishing the vulnerable groups of unemployed people who need intensive and personalised services from the unemployed who have more potential to help themselves using self-service. At the same time, receiving unemployment benefit should be conditional and encourage the unemployed to engage in active job search.

In this regard the Danish Internet-based service 'Jobnet' may provide an example of good practice. Jobnet is an Internet-based job database providing information for Danish employers, Danish job seekers as well as foreign job seekers looking for jobs in Denmark.

Jobnet is an example of a digital service combining the advantages of ICT with active labour market policy. The service facilitates a self-help strategy for those with the resources to do so while more disadvantaged unemployed people are guided in using the system and making CVs which increase their chances of gaining employment. The unemployed are obliged to use Jobnet actively, which is ensured by checking that they upload their CVs to the database. Uploading of CVs to Jobnet is one of several conditions to receive unemployment benefit (insured and un-insured) in Denmark.[17] The obligation of the unemployed to make a CV for

[17] In January 2008, it also became mandatory for the unemployed to confirm that they are searching four jobs every week by logging onto Jobnet and pressing a specific button. This initiative has been criticised for inducing beneficiaries to write appli-

Jobnet has shifted the responsibility of entering data from the PES officer to the unemployed, and it seems that this also gives the unemployed a stronger sense of responsibility for finding a job. Hence, Jobnet enhances the activation and self-responsibility of the unemployed as well as the continuous updating of labour market information, which also is beneficial to employers.

Specialised support to disadvantaged unemployed

In recent decades PES has increasingly been involved in the implementation of labour market adjustment programmes which constitute a key component of active labour market policies. The term labour market adjustment programmes conveys the idea that government intervention is necessary to correct disequilibria in the labour market such as labour market shortages, reintroducing people to working life, overcoming social obstacles to re-employment such as alcohol addiction, educational barriers, etc. The general aim of such programmes is to increase the employability of job seekers and help them move into employment.

As described in the analytical framework, a flexicurity approach implies that the PES service model should be based on flexible and individualised service delivery. This implies that service delivery should be multi-channelled and individually tailored so that privileged clients are given assistance to self-service while more intensive support is provided for the most disadvantaged job seekers.

The survey indicates that in many countries PES are involved in implementation of labour adjustment programmes targeting disadvantaged groups of unemployed people.

Examples of disadvantaged groups referred to in the survey:

- The length of unemployment spell. The longer the unemployment spell, the greater the risk of obstacles for re-employment. In some countries the length of time on benefits is regarded as a main criterion for being selected for specific support services and job search assistance.
- Age. Especially young and older unemployed people (ages 16-24 and 50-74) are considered risk groups.
- Immigrants having problems entering the labour market
- Ex-prisoners who have not gained employment after imprisonment
- Women returning to the workforce
- Single parents
- Physically or disabled persons with reduced work capacity or mental health problems
- Unemployed people with alcohol/drugs misuse
- Unemployed people with poor skills levels.

The list above indicates that being ‘disadvantaged’ or a ‘risk group’ is a broad criterion including many different target groups of PES supporting services. Being disadvantaged is also a dynamic condition depending on the individual situation and difficulties in getting a job. PES in France (ANPE), for example, emphasizes that each job seeker, whatever his or her

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cations for jobs that they are not qualified for which is a burden for both the beneficiaries and employers. The government is currently considering whether the claim should persist.

"target" group, is given a personalised diagnosis during their first employment interview at the ANPE, making it possible to define a personalised path for assistance and return to work.

The survey indicates that in many countries PES offers free support to removing barriers to employment (alcohol/drug misuse, mental health, or housing) to selected groups of unemployed people. Typically, such support is not provided directly by PES itself but by external service providers. Counselling of this sort is often outsourced to specialised agencies.

Table 4.7: Do PES provide the following services to unemployed job seekers?

Service	No	Yes, to all unemployed job seekers	To some unemployed job seekers	Planned for the future	Total
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	17	2	6	1	26
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	8	3	15	0	26

Source: Survey among PES directors 2008.

Hence, the survey indicates that PES in most countries (18 of the 26 countries that answered the survey) offer referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing). PES in Austria, Bulgaria, Cyprus, Denmark, Estonia, Lithuania, Malta and the UK offers direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing). Hungary, Ireland, Latvia, Romania, Sweden and the Netherlands neither provide this service directly or by referral.

The results indicate that PES' provision of support to remove such barriers for selected groups of unemployed job seekers *requires* cooperation with external suppliers with specific knowledge of how to help these groups.

Only Denmark, Iceland, Malta and Poland provide such PES services to employed job seekers and the UK plans to do so in the future.

Table 4.8: Do PES provide the following services to employed job seekers?

Service	No	Yes, to all employed job seekers	To some employed job seekers	Planned for the future	Total
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	25	0	1	0	26
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	21	3	1	1	26

Source: Survey among PES directors 2008.

Incentive to move from unemployment benefit into work

Prevention of long-term unemployment is an essential aim of active labour market measures. Flexicurity implies activating and mobilising job seekers at an early stage, and using a "carrot and stick" approach to encourage individual initiative, but also providing sufficient support – not least through rapid and customised placement assistance. A flexicurity approach implies that active labour market policies and social security should offer sufficient opportunities and incentives in terms of increased conditionality of benefits, to return to work and to facilitate this transition. Long-term welfare dependence should thus be prevented. In 2001, the OECD emphasised that increased attention to eligibility conditions and increased efforts to "activate" the unemployed is a relevant strategy as empirical evidence on the impact of such measures in United States, Denmark and the Netherlands suggest that the policies could affect total unemployment quite substantially (OECD, 2001).

European social partners agree that the interaction of active labour market measures with well-designed unemployment benefits systems, with rights and obligations for the unemployed are particularly important to facilitate reintegration into work. (European Social Partners, 2007).

The link between sanctions and reintegration into employment is validated by Danish investigations of the effect of sanctions of unemployment insurance benefits on the exit rate from unemployment. According to the findings even moderate sanctions have considerable effects. For both males and females the exit rate increases by more than 50% following imposition of a sanction. The paper exploits a rather large sample to elaborate on the basic findings. It is shown that hard sanctions have a significant effect, that the effect of sanctions wear out after around three months and that particularly groups of unemployed people are more responsive to sanctions than others. The analysis suggests that men react ex ante to the risk of being sanctioned in the sense that men who face a sanction risk leave unemployment faster (Svarrer, 2007).[18]

Thus, the relevant research question here is how PES can contribute to encouraging the unemployed to move from unemployment benefit and into work and what incentives and payment conditions are used to encourage the move from inactivity to active job search and employment.

The survey indicates that the principle of conditionality is applied in most European countries. According to the answers of PES directors, receiving state unemployment benefits is dependent upon the participation in employment programmes or the use of particular services in 16 of the 26 countries that have answered the survey.[19]

[19] Exceptions are UK, NL, LV, IT, GR, SI, FR, NO, HU, EE. Some of these countries use other measures of conditionality. For instance, the UK requires beneficiaries to apply for jobs.

Table 4.9: Is the receipt of state unemployment benefits dependent upon the participation in employment programmes or the use of particular services.

Benefit dependent upon the participation?	%	Number of countries
Yes	62%	16
No	38%	10
Total	**100%**	**26**

Source: Survey among PES directors 2008.

Normatively, the survey also indicates that most PES regards the principle of conditionality as enhancing the effect of active labour market measures. When asked the question 'If the Public Employment Service in your country is to improve its delivery of services, which of these factors are important' most countries, 20 of the 24, find that unemployment benefits conditional upon participation in active measures is a strong aid (12 countries: AT, PT, DK, DE, IE, IS, RP, MT, NL, SI, SE) or marginal aid (8 countries: CZ, HU, EE, FI, FR, LI, NO, UK).[20]

The applied criteria of conditionality typically include obligations to actively search for a job and to participate in training or employment measures to maintain unemployment benefits. Additionally, the regular follow-up procedures such as registration and frequent reporting obligations supplement these obligations:

In the UK, for example, jobseekers that require access to unemployment related benefits must be available for and actively seeking work. Every two weeks, they are required to discuss what steps they have taken to find work with a Jobcentre Plus advisor. In Romania, unemployed job seekers must come at least once a month to the PES office and if they refuse an appropriate measure (job, vocational training, etc.) the unemployment benefit is cut. In Slovenia, once a person is receiving unemployment benefit, he or she is obliged to participate in active labour market measures, to see an employment adviser on a regular basis and to be available for employment service contacts certain hours per day, etc. In Malta, registered jobseekers that refuse a PES employment or training opportunity without a valid reason are removed from the register and lose their entitlement to receive unemployment benefit. In Iceland, the unemployed is obliged to seek work actively in cooperation with a job counsellor and to participate in seminars to enhance their employability. In Ireland, the criteria of conditionality are primarily aimed at people who have received unemployment benefits for at least one year. Furthermore, they are also targeted at other marginalised groups, e.g., people with a disability and single parents.

These examples indicate that most countries have adopted a principle of conditionality obliging unemployed people to active job search, participation in training or other labour market measures.

4.2. Inactive people

Inactive people can be defined as people not regarded as part of the working force and who are normally on passive benefit schemes (such as a disability pension, sickness allowance, early retirement schemes, and unconditional social assistance) with no or few obligations to look for work. The reasons for inactivity differ between groups and range from studying to performing care and household work and work incapacity.

[20] Countries replying not relevat/not used: CY, GR. Countries replying neither nor: IT, PL, BG, BE, LV.

Traditionally, employment policies have been directed at the labour market reintegration of the unemployed, notably those receiving unemployment insurance benefits. More recently, the activation of recipients of other benefit is receiving equal attention. Two factors directly contributed to this trend. The employment targets agreed in the framework of the Lisbon Strategy for Jobs and Growth have shifted the focus from combating unemployment to increasing labour market participation. Participation implies a larger target group for employment policies and includes the inactive population. At the same time, various Member States have experienced an increase in the take-up of, e.g., social assistance and disability benefits and the European workforce is declining due to demographics. This has reinforced the need to review the role of employment and activation for various economically inactive groups (Marjolein, Peters 2007). This is also reflected in the European PES Directors General 2006 Mission Statement in which inactive groups are directly addressed (EU/EEA Public Employment Services Network 2006).

A key component of flexicurity is transition security i.e. the security to enter into employment, to remain in employment by making timely job-to-job transitions, and to progress in the labour market. Consequently, a flexicurity approach entails that inactive people, who are capable of working, should be addressed by active labour market policies.

Inactive people – not a key focus group of PES

Looking across Europe, the survey indicates that inactive people are not a key target group of PES services. The table below shows the PES provision of services to inactive groups.

Table 4.10: Does PES provide the following services to inactive groups?

Service	No	Yes, to all inactive	To selected inactive	Planned for the future	Total
Systematic collection and provision of labour market information	7	13	5	1	26
Employer notified vacancy information	7	13	5	1	26
Employer notified vacancy information through onsite computer terminals	11	10	3	2	26
Employer notified vacancy information through website	3	18	3	2	26
Job search assistance	9	10	7	0	26
Group activities (such as 'job clubs' or workshops)	13	7	6	0	26
Vocational/Careers advice	8	9	9	0	26
Direct provision of training and education programmes	14	4	7	1	26
Referral to free (publicly funded) external training and education	15	6	5	0	26
Direct provision of support/coaching for employability skills	13	5	7	1	26
Referral to free (publicly funded) external support/coaching for employability skills	15	6	5	0	26
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	18	3	4	1	26

Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	16	5	5	0	26
Health promotion programmes (medical checks, health or fitness programmes)	21	2	2	1	26
Jobs/Recruitment fairs	12	10	4	0	26
Job broking (helping inactive people to find and apply for appropriate vacancies)	14	5	7	0	26
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	17	3	6	0	26
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	12	11	1	2	26
Job creation programmes (public sector work programmes)	16	3	5	2	26
Temporary work trials/placements	14	4	6	2	26

Source: Survey among PES directors 2008.

Though inactive people can use the same vacancy information on PES-websites as anybody else, the assortment of PES services such as training and education programmes or referral to free (publicly funded) support to remove barriers to employment are less common.[21] Hence, 21 out of 26 answer that they provide employer-notified vacancy information through websites (except DK, EE, EL, IT, BE)[22] and 18 countries provide systematic collection and provision of labour market information on vacancies/skills needs. Bulgaria, Czech Republic and Denmark are the only countries providing active job broking (pre-selection of suitable candidates from the register for particular vacancies) to all inactive people. Germany, Hungary, Ireland, Latvia, Norway and Sweden provide active job broking to selected groups of inactive people.

The selected groups of inactive people addressed by PES-services are mostly persons responsible for caring (elderly/children), women after parental leave and special groups of disadvantaged job seekers.

Inactive people who are found capable of work are defined as unemployed and hence 'registered out' from the inactive category.[23] PES in Austria for example, says that if people receiving social benefits are regarded as capable for work they are sent to PES and PES treats them as any other jobseekers. If they do not accept participation in a training programme it is up to

[21] Direct provision of training and education programmes is provided to some or all inactive groups in: AT, CZ, EE, HU, IT, LV, MT, NO, RP, SE, UK. Referral to free (publicly funded) external training and education is provided to some or all inactive groups in: AT, CY, CZ, EE, FI, DE, EL, IE, NO, PL, RP, SE, UK. Support to remove barriers to employment (alcohol/drug misuse, mental health or housing) is provided to some or all inactive groups in: AT, CZ, EE, DE, IE, LV, LTMT, NO, RP, SE, UK. Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing) is provided to some or all inactive groups in: AT, CY, CZ, EE, DE, HU, IS, IE, PL, SE, UK.

[22] The Walloon region in Belgium does not provide any services to inactive groups whereas the Flemish region provides systematic collection and provision of labour market information, employer notified vacancy information, employer notified vacancy information through onsite computer terminals, employer notified vacancy information through website and automated self-service.

[23] Bulgaria, Czech Republic, Germany, Estonia, Greece, Cyprus, the Netherlands, Poland, Portugal have introduced part-time disability benefits to minimize work disincentive effects (MISSOC Secretariat 2008). For a further discussion see section 7.3.

the social benefit organisation to set sanctions. Until now PES does not have any information about social benefit organisations follow-up activities. However this is planned to change in the future with the implementation of a general minimum aid and better communication between the different actors.

4.3. Companies/employers

Traditionally, job broking has been the classic relationship between PES and employers defined as the processes through which PES or private employment agencies arrange for job seekers to find jobs and for employers to fill vacancies. Since neither employers nor job seekers have full information about vacant jobs or candidates, the function of PES is to fill this information gap.

In addition to the basic function of job-broking, a flexicurity approach implies that PES adopt a more long-term preventive approach which does not just passively await job vacancies but contribute to timely job-to-job transitions. This requires that PES establish proactive cooperation with employers/firms to contribute to successful restructuring processes by flexible and responsive service, including information, advice and guidance to workers facing redundancy, retraining programmes or consultancy for the company concerned. Such proactive cooperation with employers/firms should contribute to early identification of skills needs and prevention of long-term unemployment.

Based on the analytical framework in chapter 3 it can be hypothesised that a flexicurity approach to employers implies the following main normative elements:

- Proactive efforts by PES to make employers notify vacancies
- Continuous contact with employers to reintegrate unemployed into work
- Flexible and responsive service in case of company restructuring and mass redundancies
- Supporting timely job-to-job transitions
- Anticipation of future skills needs

Proactive efforts by PES to make employers notify vacancies

To provide good assistance to job seekers to find jobs it is important for PES to attract as many vacancies as possible to match the qualifications of job seekers. However, many employers do not notify vacancies and, as described in section 3.1 above, public employment services are facing relatively low or declining market shares of the job matching.

The more successful PES is in attracting vacancy registrations, and the more efficiently it liaises with employers, the more chance there is for PES to compensate for the information and network deficits that some of its disadvantaged clients might have. For disadvantaged clients this could facilitate pathways into employment which would not have otherwise been open to them (Sultana & Watts 2005).

Therefore, it is a continuous challenge to make employers notify vacancies to PES of sufficient quantity and quality. Vacancy information and registers tend to be volatile, and it is important for their credibility that the status of vacancies is regularly checked. Therefore, PES needs to be in regular contact with employers to assist them with registering job vacancies and clarifying requirements for the jobs.

The survey indicates that in most countries PES apply a variety of service activities in relation to employers to collect and provide good labour market information. In all countries except Italy PES cater systematic collection and provision of labour market information (vacancies/skills needs) and all countries offer vacancy advertising. The survey also indicates that PES in most countries proactively seek to collect vacancy information as they provide advice on vacancy advertising to employers (except CY, IS, IT, MT, PT). Cyprus and Italy are planning to provide this service in the future.

Table 4.11: Does PES in your country provide the following services to employers?

Service	Yes	No	Planned for the future	Total
Systematic collection and provision of labour market information (vacancies/skills needs)	25	0	1	26
Advice on vacancy advertising	21	3	2	26
Vacancy advertising	26	0	0	26

Source: Survey among PES directors 2008.

The general picture across Europe is that employers' notification of job openings/job vacancies to PES is voluntary and that there are very few formal requirements for employers to register vacancies. Nor are employers who do not register vacancies exempt from using the employment services and available information services. In most countries PES have launched a variety of initiatives to attract employers and encourage them to list their vacancies so that they can benefit from appropriate recruitment services. The initiatives include activities such as:

Large-scale campaigns. In Germany, for example, a campaign was launched in May 2007 to introduce a new nationwide service telephone number for employers. The aim of the campaign was to get the BA Service Number calling card to every employer in Germany and to get them to use the card with the same priority as the contact information of any other business partner.

Counselling. In France, Ireland and Cyprus PES provide counsellors/contact persons to undertake regular visits to particular employers to provide information on employment services and assistance on employment management. In France, for example, PES provides 1,700 professional teams that are specialised by sector of activity and give advice on the best profiles and methods for recruitment and assessment of recruitment needs. In Ireland, PES provides HRM counselling to help enterprises identifying their needs and facilitating their staff recruitment and training management and as well as recruitment counselling, including vacancies filling. Cyprus has introduced an employment counselling service that provide counselling and information to employer clients on human resource and employment issues. The Austrian PES also provides consulting on training needs.

Websites and services to report vacancies
In Germany, the Job Exchange (Jobbörse) at www.arbeitsagentur.de enables employers to report their job vacancies flexibly directly to the Employment Agency in charge, or to maintain job vacancy advertisements themselves as registered users. In Sweden the website www.arbetsformedlingen.se enables employers to access both information and tools, such as the Vacancy Bank, Advertise Direct where employers can register their vacancies and the CV Data-

base (where jobseekers can enter their CVs) to find jobseekers with a suitable background. Employers can also use PES Customer Service, a phone-in service which is open to all customers on weekdays from 8 am to 10 pm weekdays and weekends from 10 am to 4pm with specially trained placement officers who guide employers through www.arbetsformedlingen.se and help employers to advertise. In Denmark the web service www.jobnet.dk offers similar services.

In Austria, a data warehouse has been organised to improve employer services. With the development of the data warehouse, new data on each individual employer have become available. It allows more effective planning of customer contacts and services. A pilot was evaluated and showed a very positive effect on the performance of the employer service.

Continuous contact with employers to reintegrate unemployed into work

A proactive approach conducive to flexicurity also implies continuous contacts between PES and employers to reintegrate unemployed people into work. Research indicates that a more intense employer focus on public employment offices lead to higher reintegration rates. An analysis evaluating public employment services in Switzerland used econometric techniques from the treatment evaluation literature to identify causal effects of a more intense employer focus of the caseworkers. The estimation results indicate that caseworkers who maintain direct contacts to firms achieve higher reintegration rates (Bencke et al. 2007).

Table 4.12: Do PES in your country provide the following services to employers?

Service	Yes	No	Planned for the future	Total
Programmes to overcome employer resistance to employing disadvantaged or longer-term unemployed/inactive people	21	5	0	26
Job creation programmes (public sector work programmes)	16	10	0	26
Work trials or subsidised temporary placements	23	3	0	26
Matching services to identify potential recruits/applicants	26	0	0	26
Pre-employment training/employability programmes targeted to specific employers/sectors	21	5	0	26
Jobs/Recruitment fairs (events where several employers can attend to meet prospective applicants)	23	2	1	26
Workforce health promotion programmes (medical checks, health or fitness programmes)	3	22	1	26

Source: Survey among PES directors 2008.

The survey indicates that PES in most countries utilise a proactive approach to employers to reintegrate unemployed people into work. In most countries PES reply that they provide:

- programmes to overcome employer resistance to employing disadvantaged or longer-term unemployed/inactive people (except CY, LV, PT, SI, SE)
- jobs/recruitment fairs events where several employers can attend to meet prospective applicants (except EL, IS, IT)

- work trials or subsidised temporary placements (except CY, EE, IT)
- pre-employment training/employability programmes targeted to specific employers/sectors (except AT, CY, FI, IS, NL), and
- matching services to identify potential recruits/applicants (all countries).

These results indicate that PES has developed networks with employers and apply services that go beyond classic job-broking and aim to reintegrate unemployed people in general as well as disadvantaged groups.

Flexible and responsive service in case of company restructuring and mass redundancies

PES may have a critical role to play in the event of plant closures or company restructuring. A proactive approach implies that emphasis is put on the placement of the workers to be made redundant into other jobs rather than on benefit schemes and compensation payments. The role of PES in such cases may involve managing staff that cannot be kept in the company, managing the local impact of the restructuring; and helping to reorganise the new firm and its workforce rapidly.

Table 4.13: Does PES in your country provide the following services to employers?

Service	Yes	No	Planned for the future	Total
Advice/support in redundancy situations	20	3	1	24

Source: Survey among PES directors 2008.

The survey indicates that PES all countries except Germany, Greece, Iceland and Italy provide services to employers which may prevent or reduce the negative consequences of redundancies.

The Rapid Response Service Teams (RRS) established in the UK in 2002 provides an example of such a flexible and responsive service, including information, advice and guidance to workers facing redundancy and retraining programmes or consultancy for the company concerned. The RRS is not invoked for every significant redundancy, but may be brought in where there are particular concerns or needs.[24]

[24] The RRS approach and its transferability is discussed in The Mutual Learning Programme of the EES : http://www.mutual-learning-employment.net/peerreviews/2003/04/14-15

Supporting timely job-to-job transitions

Flexicurity requires workers to be geographically and occupationally mobile. PES may support mobility and employability for employees facing unemployment for competition reasons as well as contribute to the mobility of people in jobs.

A proactive approach of PES in the case of restructuring and potential redundancies entails not delaying the search for a new job until the worker has been made redundant, but starting immediately when it becomes clear that redundancy is likely. This implies continuous cooperation between PES and the employer. PES may also work with employers, social partners, local and regional authorities, and temporary work agencies to organise off-the-job-placements and prevent redundant workers becoming (long-term) unemployed. Another tool for PES may be to organise transition guarantees for redundant workers, to be borne jointly by employers, social partners and PES.

In this regard the Estonian case 'Reacting to Mass Redundancy' provides a good case exemplifying how coordinated action by the social partners within the regulatory framework of redundancies can facilitate preventive measures (Case No. 17).

In situations of redundancy, Estonian labour law requires employers to give formal notice of redundancy to the authorities. In the past, redundancy situations were not subject to coordinated responses. The project 'Reacting to Mass Redundancy' aimed to generate a coordinated response between the Employers' Union which could help to identify alternative vacancies, labour market inspectors who could advise on individual rights in redundancy situations, and the Labour Market Board which could advise on vacancies and training opportunities, and, finally, the Labour Insurance Fund which could advise on welfare benefits. The four partners agreed to share information on redundancy situations as they arose and to arrange joint information events. The role of PES was to work in partnership with other labour market actors to provide timely information, advice, and support in redundancy situations.

This approach was run for a trial period and the effects have been positive with around 70% of beneficiaries finding alternative employment immediately. Furthermore, the project has contributed to a better and more informal relationship between the four partners, resulting in a better and more rapid information flow and reaction in the event of redundancies.
The approach has been copied in an ESF-project in the Estonian textile industries to encourage retraining of redundant textile workers (many of them women) to take up opportunities in new industrial sectors.

Another approach to facilitate timely job-to-job transition is recognition of non-formal and informal learning. This approach is applied in the Netherlands. Here, recognition of non-formal and informal learning has been used as a tool in a mobility centre created in collaboration with PES with the purpose of alleviating the effects of large-scale restructuring by helping the affected workers into new employment. The mobility centre was the result of a joint effort between all the main stakeholders, namely the Centre for Work and Income, the Trade Unions, the Employer's Association, and the KBB (Shapiro et. al, 2007).

Recruitment and anticipation services

A proactive and preventive approach of PES should not be confined to restructuring and crises involving mass redundancies. Continuous cooperation with employers, education and training institutions, and social partners is called for to anticipate skills needs and make targeted investments in training that improves the employability and (upward) mobility of the employees. Furthermore, PES could play a role in recruitment.

Table 4.14: Does PES in your country provide the following services to employers?

Service	Yes	No	Planned for the future	Total
Advice on recruitment and retention problems	21	2	3	26
Pre-screening services for applicants	24	2	0	26
Interviewing/recruitment services	19	7	0	26
Advice/support in managing a diverse workforce (e.g. workers of different ethnicities, genders, ages, religious belief or sexual orientation)	10	13	3	26

Source: Survey among PES directors 2008.

PES provide advice to employers on recruitment and retention problems in all countries except Cyprus, Greece, Iceland, Malta and Italy. In Cyprus, Greece and Italy PES reply that such services are planned for the future. Furthermore, PES also provide recruitment services including pre-screening services for applicants (except BE, EE)[25] and interviewing/recruitment services (except BG, EL, IS, LV, MT, NO, SE). This indicates that PES also focus on how the current workforce can be retained (for instance by identifying new skills needs) and better recruitment of applicants for employers. Thus, PES is also capable of delivering proactive and preventive services which are not directly associated with restructuring and other crises.

Subsidised placements may be an effective tool addressing integration as well as upskilling of disadvantaged groups

Does temporary subsidised employment improve the chances of regular employment? This is a very much debated question and research results are mixed. German research indicates that workers who enter temporary help work from registered unemployment do not enhance their chances of employment outside temporary help work over a four-year period. Temporary help work only seems to provide an access-to-work function for the unemployed (Kvasnicka, 2008).

However, research from Switzerland confirms that subsidies for temporary jobs in private and public firms is particularly successful for potential and actual long-term unemployed persons while ineffective for unemployed persons who have a short unemployment spell and find jobs easily anyway (Gerfin & Lechner 2005).

Case studies from the site visits of the present study indicate that subsidised placements may provide an effective tool to address integration as well as upskilling of disadvantaged groups.

[25] The Walloon Region in Belgium does not provide pre-screening services for applicants whereas the Flemish Region does.

The Polish initiative ‘Internship and vocational preparation at the workplace’ (Case No. 10) can be regarded as a service which balances subsidy and obligations to the employer and at the same time it is adapted to the particular skills needs of the unemployed. The local PES office contacts employers and makes agreement with them regarding internships and/or vocational preparation at the workplaces for unemployed. The internships and vocational preparation follow a programme developed in cooperation between the local labour office and the employer. Employers who participate in the scheme do not pay wages to the unemployed person as he or she receives benefits during the internships or vocational preparation. The duration of an internship is 3-12 months depending on the skills development needed. An internship does not develop formal, certified qualifications. However, in the agreement the employer is committed to employ the trainee after the end of the internship. The rate of full employment in 3 months after completed internship is 48%.

The German initiative ‘WeGebAU’ (Case No. 2) which funds continuing education for low-skilled and senior employees in small- and medium-sized enterprises (SMEs) provides a similar example. WeGebAU exemplifies a PES incentive strategy for SMEs to invest more in the qualification of their low-skilled and senior employees. Moreover, it is an example of supporting the long-term employability of labour market risk groups among employed persons.

5. PES' cooperation with other actors

This chapter describes and analyses the cooperation between PES and other actors by applying the analytical framework that maps the relations between PES and other actors.

As mentioned in flexicurity principle no. 7 flexicurity requires a need for a climate of trust and dialogue among all stakeholders (Council 2007). PES is not the sole actor in the European employment and social security systems. There is a range of existing institutions in the environment of PES with vital links to different aspects of employment: municipalities and regional governments, other public agencies, education and training providers, social benefit organisations and voluntary organisations. All these actors are vital for the ability of PES to deliver services in line with the flexicurity principles. Cooperation with social benefit organisations is, for instance, a precondition for PES to ensure that benefits are conditional upon participation in active labour market measures. Furthermore, the increasing complexity of labour markets has implied a diversification of the labour force – and job seekers. This requires more specialised services, and a constructive partnership with other providers of employment services is one way for PES to deal with this diversification of needs.

Based on these theoretical elaborations – described thoroughly in the chapter on the analytical framework – the present chapter will take the following normative elements as its starting points:

- PES should develop and manage specific relations with other agencies on the delivery of services
- Emphasis on complementing rather than competing with other organisations/service providers
- PES could refer job seekers to other service providers
- Strike a balance between individual and innovative services across several providers and the need for minimum standards and service quality
- Cooperation with all relevant stakeholders – in particular the social partners, social benefit organisations, education and training providers, other public organisations and private employment agencies

The above elements will be further described in the following sections.

Benefits of cooperating or sub-contracting with other service providers

The analytical framework prescribes that PES should cooperate and subcontract to ensure that PES is able to deliver specialised and individual service delivery. According to PES a main advantage of cooperating with or sub-contracting employment services to other actors is more specialised services. This indicates that the increasing focus on competition and cooperation with other service providers is not merely about cost-effectiveness and lowering prices. Several PES explicitly mention that cooperation with other service providers complement their own work by offering specialised services.

For instance, the British PES names a number of services for prisoners, people with disabilities and mental illness provided by other suppliers. The Maltese PES notes that PRES and

NGOs potentially have more in-depth knowledge of special target groups and methods than PES. Likewise, the Irish PES finds that working with other providers can provide more targeted services – *particularly for disadvantaged groups*.

Other countries add that cooperation and contracting out potentially expands the scope of services. As the Swedish PES explains it:

"The aim is to achieve a greater diversity of organisations delivering employment services to those jobseekers who are farthest removed from the labour market, in order to counteract exclusion from the labour market and from society."

This is also the view of, for instance, the Belgian/Flemish PES and the Polish PES; they comment that the increasing cooperation with other service providers is associated with a more extensive range of employment services. These responses fit very well with those of the stakeholders where the majority notes that their relationship with PES is to be considered as a partnership. No countries have mentioned competition as something that might inhibit or facilitate the movement of individuals from welfare into work. However, some countries also mention that sub-contracting services to other providers challenges PES to find the most suitable organisation to carry out the service *and* ensure that the contractor can also deliver value for money.

PES in a market of competition and cooperation

The analytical framework delineates that the increasing complexity of the labour market calls for more specialised services, which may include outsourcing to private employment agencies. Flexicurity does not stipulate that PES subcontracts all services to private agencies. Rather, the analytical framework demarcates a PES that subcontracts:

- for the sake of complementary rather than competition
- to make the service delivery of PES more flexible
- to make the service delivery of PES more specialised and innovative

Today it is politically acknowledged that PES should not be the sole supplier of employment services. The ILO Convention No. 181 1997 revised Convention No. 96 of 1949 in this direction and both the OECD and the EU have stressed the need for PES to cooperate, co-exist, and even compete with other service providers. Most importantly, cooperation with other relevant actors is also stressed by the European PES Directors General in the 2006 Mission Statement.

The survey among PES shows that the most common other organisations engaged in some form of cooperation with PES are private employment agencies, municipalities and regions, social benefit organisations, education and training institutions. Other actors include voluntary organisations and prison services.

The cooperation with other private actors is formalised to some extent in all countries except the Netherlands and Estonia and with public organisations in all countries except Czech Republic. Cooperation in this regard includes 'normal' cooperation without any financial intermediaries or full-scale competition and quasi-markets (Friedland et al 2007).[26] The nature of

[26] Friedland et al (2007) distinguishes between various forms of 'coexistence'.

the relationship depends on the institutional structures of the employment system in question but also on the actor. For instance, the relationship between PES and PRES is more prone to be competitive than the relationship between PES and SBO.

The majority of PES' respond that they operate in a market with competition. The UK, Slovenia, Denmark and Bulgaria reply that they operate in a market with strong competition. In Belgium/Flemish Region, Belgium/Walloon Region, Italy, Finland, Romania, Malta, Greece, Ireland, Portugal, Norway, Iceland, Hungary, Cyprus and Sweden PES operate in a market with some competition. In comparison, six countries – Netherlands, Latvia, Poland, France, Lithuania, Czech Republic and Estonia - have a market but with little competition. Germany and Austria have not market to speak of.

Table 5.1. Market conditions of PES

Which of the following statements best describes the market your organisation operates in?	Number of countries
We operate in a market with strong competition	4
We operate in a market with some competition	13
There is a market but there is little competition	7
There is no market to speak of	2
Total	**26**

Source: Survey among PES directors 2008.

As the table above indicates very few countries have a full-scale competition model. In most countries, PES do not have a monopoly in delivering employment services. For instance, the 2005 Social Cohesion Law from France also meant the end of the French PES' (ANPE) monopoly in relation to ALMP, and ANPE even used sub-contractors years before that. Even so, there are differences in the structure of the competition (European Employment Observatory 2006, Friedland et al 2007). In the Netherlands, job seekers are referred to external service providers, and the public authorities now work as gate keepers to a private quasi-market. The public authorities are still responsible for benefit payments though. The Danish market for employment services is a quasi-market where private service providers operate in parallel with a full-functioning public system. Private service providers are mainly used for sub-contracting particular services (Bredgaard & Larsen 2008a).

The countries replying that there is a market but there is little competition mainly co-operate with/sub-contract to temporary work agencies.

The stakeholder survey indicates that the cooperation with other service suppliers is not just about competition. Close to half of the stakeholders who replied to the survey replied that they deliver employment service in conjunction with PES. This is particularly the case as regards direct provision of support and coaching for 'soft' skills and job-broking. Furthermore, several stakeholders stress that they would like to engage in networks, common platforms and meetings with PES to exchange methods and knowledge. Some of these comments are listed in the table below.

Table 5.2: Relations with other services providers

Country cases
• A Norwegian private employment agency finds that PES should involve the agency as a discussion partner when planning new courses for the unemployed.
• A Belgian private employment agency would like to see a simplified administrative procedure and better coordination between the institutions granting authorisations.
• A Hungarian private education and training institution thinks that their cooperation with the regional labour office is smooth and mutually beneficial. According to the training provider the good relationship is built on factors such as common aims and objectives, mutual trust, widening cooperation with PES and employers to ensure that information is exchanged fast and continuously.
• A Polish career office finds that PES should focus on improved communication with external actors. This could be done by establishing a platform for exchange of knowledge and experience, expert consultation, and common approaches to finding solutions.
• A Cypriote training and education provider suggests that PES could work as an effective mediator between the different partner organisations working with PES.

Source: Responses from stakeholder survey 2008.

In line with the suggested improvements listed above, some stakeholders mention good examples of how frequent meetings and networks can enhance the cooperation between PES and other stakeholders *and* even the delivery of employment services. An Irish provider in the voluntary sector mentions regular national networks with the sector and FAS/PES as a good example of cooperation. A Finnish education and training provider mentions that they have a quality agreement with PES including joint taskforces taking care of the process and service development and a score card to measure the effects of cooperation. The stakeholder survey indicates that stakeholders are satisfied with their cooperation with PES, but since the response rate is very low this result can only be taken as indicative.

Contracting out specialised services to Private Employment Agencies (PRES)

The analytical framework stipulates that PES should cooperate with private employment agencies but that it should be done with focus on complementarity rather than competition. The flexicurity approach does not preclude competition but emphasises that it should be administered in a way which ensures individual and personalised service delivery. Furthermore, a flexicurity approach entails responsible use of public finances and quality management with a long-term focus.

All countries replying to the survey, except Greece and Cyprus, answer that PES has some cooperation with private providers of employment service. The cooperation varies when it comes to the types of services provided and the nature of the cooperation (or competition).

The majority of the private service providers are private employment agencies which is an encompassing definition covering temping agencies, recruitment agencies and private agencies for guidance and counselling. The Netherlands, Finland, Germany and Belgium/Flemish Region specifically mention that they cooperate with temping agencies. According to Breedgaard and Larsen, the large temping agencies and recruitment companies have not entered the new markets or quasi-markets for employment services (Breedgard & Larsen 2008). This could explain why only four countries have mentioned temping agencies. One implication of this can be that employment services are closer to the supply side of the labour market than the demand side (Ibid).

All countries except the Netherlands and Estonia have formalised their cooperation with private service providers. The Austrian and Swedish PES comment that they do this using a tender procedure, and more countries probably do so even though they do not mention it explicitly.

There is a genuine risk that sub-contracting of employment services to other service providers will result in creaming and parking of job seekers (Freedland et al 2007, Bredgaard & Larsen 2008a). Countries like Switzerland (non EU) and the UK have good experiences with performance-related payment of sub-contractors where payment is dependent on the *sustainability* of the jobs. This is also the case in Germany, where a placement voucher entitles the job seeker to use a private agency. If the placement results in employment, the agency receives payment in the beginning of employment and the remaining part after six months of employment (Schneider 2008). The placement voucher, however, turned out to have some dead-weight-loss, particularly in East Germany where the duration of employment of recipients and non-recipients was rather similar.

The Netherlands makes a distinction between payment for employment services delivered to the short-term unemployed and the long-term unemployed. For the short-term unemployed a no-cure-no-pay model is applied which effectively means that private service providers are paid based on outcome. The payment model for the long-term unemployed is a combination of commencement and outcome (Breedgard & Larsen 2008). The British PES has addressed the challenge of payments by introducing 'payments based on sustainability as described in the table below.

Table 5.3: Use of sustainability payments

British Jobcentre Plus
The British Jobcentre Plus pays contractors on the basis of the sustainability of jobs and the ability of contractors. The payments to contractors are composed of a range of criteria, including: - Job outcome (off-flow from benefit into employment). - Sustainability of jobs (customer still being in work after 13/26 weeks). This 'Work First Plus' model does not only focus on getting individuals off benefit into work but combines this with emphasis on ensuring that the individuals stay in the job and progress in the labour market. Based on policy reviews the model is expected to expand the sustainability payments beyond 13 weeks.

Source: Good practice case no. 18.

Another discussion in relation to private service providers is their responsibility for vulnerable groups and individuals at the margins of the labour market. This challenge can also be termed 'parking' in which private providers of employment services only deliver services to those who are easily employable (cf. Hatwhich et al 2008, Freedland et al 2007, Bredgaard & Larsen 2008a). This was, for instance, the initial experiences of contracting out in Denmark, the Netherlands, and Germany (Hatwhich et al 2008).

However, PES in Austria, UK, Norway indicate that cooperation or contracting out to private service providers is used to deliver more specialised services also for disadvantaged groups.

The survey results also show that counselling on social and medical obstacles to employment is often outsourced to external providers. In countries with voluntary organisations or NGOs, these are often providers of services to disadvantaged groups. The Belgian/Walloon Region and Germany emphasise that using private service providers could facilitate innovative actions.

It is possible to vary the pay to PRES according to the prospects of getting the individuals employed, and this forces PES to make some kind of initial profiling of the individuals. The challenge is then to assess the actual cost of placing individuals according to their profile. Experiences from Germany reveal that the lack of a price mechanism makes it difficult to assess the actual costs of placing individuals – particularly less employable individuals (Hatwhich et al 2008).

Cooperation with and referral to other public organisations

According to the flexicurity approach, PES should not only ensure a constructive partnership with private and voluntary service providers. PES should also ensure cooperation with other relevant public organisations. As outlined in the analytical framework these are mostly SBO and municipalities – municipalities are often responsible for the provision of social welfare. The analytical framework stipulates that cooperation with other public organisations is particularly relevant as regards education and training, social policy and health policy. This is also in line with flexicurity principle no. 4, which emphasises that flexicurity should promote labour markets that are more inclusive and avoid segmentation (European Council 2007).

The main point here is the same as for other actors with some linkage to employment policies, i.e. PES and the other actors should be able to cooperate when it is necessary.

In 16 out of 24 countries PES cooperate with other public organisations on the delivery of employment services. This cooperation with other organisations on the delivery of employment services is increasing or remaining the same in the majority of the countries. Only one country replies that cooperation is decreasing. Cooperation with other public organisations on the delivery of employment services is formalised in almost all the countries included in the survey. Indeed, only two countries do not have a formalised system for cooperation between PES and other public organisations on the delivery of employment services.

PES mainly cooperates with municipalities and other ministries. Other public organisations include:

- schools and other education units
- prison authorities
- agencies for vulnerable groups (disabled, alcoholics, drug addicts, the homeless, etc.)
- agencies for housing
- institutions for mental and physical health.

Table 5.4: Services on which PES cooperates with other public organisations

Country examples
• In countries like Belgium/Flemish Region, France, Estonia, Germany, Ireland, Latvia, and Romania, PES cooperate with other public organisations – mainly municipalities – on 'normal' employment services like counselling, guidance, training, and activation.
• In the UK, PES cooperates with prison authorities on finding jobs for former convicts who often face very specific social challenges for finding employment
• In Austria and Romania, PES cooperate with public organisations working with disabled job seekers on employment services normal services like guidance, training and work-placement but taking into account the special needs of disabled persons
• The Belgian/Flemish Region PES also cooperates with the Ministry of Industry and Trade on support for small- and medium-sized enterprises

Source: Survey among PES 2008

The table above illustrates that cooperation between PES and municipalities and other public organisations vary a lot and concerns various issues from 'normal' employment services to services aimed at particular vulnerable groups. This is also supported by the survey displaying that in 18 out of 26 countries PES offer referral to free (publicly funded) external support to remove social and health related obstacles to employment (except BG, HU, IE, IT, LV, RP, SE, NL).[27]

Finland, for instance, has aimed at a network model for providing vulnerable groups with a holistic approach to service delivery. The Finish Network Model illustrates very well that the role of PES in cooperating with other public organisations (often municipalities and SBO) is not only a question of spreading a work-first approach to social policy. The role of PES is also to cooperate with relevant other public organisations to ensure that social, mental and health related obstacles to work are countered by professional methods and staff.

Table 5.5: The Finish Network Model

Holistic employment services
38 Regional Labour Force Service Centres (LAFOS) are run in cooperation between municipalities, PES and the Finish Social Insurance Institution (SII). LAFOS focuses on long-term unemployed, disabled individuals and other marginalised groups on the margins of the labour market.
The front office workers work in pairs which include one expert in employment and one in social affairs, and the idea is to offer a more holistic employment service to groups that often face concurrent challenges of unemployment and social/mental/health problems.

Sources: PES Survey 2008, PES Monitor 2008c, Genova 2008.

The trend of merging social welfare and unemployment assistance is also associated with increased cooperation between municipalities and PES because municipalities administrate or are involved in social welfare in most European countries. The Dutch PES, for instance, finds that cooperation between PES and municipalities is increasing (European Commission 2006).

PES can also cooperate with other public institutions on the anticipation of labour market needs. Slovenia and Belgium/Walloon Region specifically mention labour market information

[27] In Bulgaria PES offer this service itself whereas the other countries mentioned offer neither direct provision nor referral (HU, IE, IT, LV, RP, SE, NL).

as a subject of cooperation; it is not specified how the cooperation takes place. In Poland, the local labour offices survey the local qualification needs and some of these offices receive funding from the Polish Labour Market Fund to tailor up-skilling and retraining according to labour market needs. The project particularly focuses on areas of qualification shortages. The initiative has been established as a way to counter the Polish skills mismatch. Half of the countries find that the cooperation with other public organisations improves service delivery and no countries reply that the service is worsening.

Table 5.6: What impact does cooperation with other public organisations have on the opportunities to deliver early and preventive employment services?

Response	Number of countries
Improve	13
Stay the same	6
Worsen	0
Don't know	7
Total	**26**

Source: Survey among PES directors 2008.

Very few countries mention why and how cooperation with other public organisations improves the delivery of services. A few comments point to the cooperation as something which:

- Increases the number of public entities providing market services (Poland)
- Increases the scope of services (Poland)
- Increases activation of the unemployed (Ireland)
- Facilitates exchange of information (Ireland)
- Creates joint efforts and/or strategies (Ireland)
- Gives more time for working with target groups – Czech Republic

More cooperation between PES and Social Benefit Organisations (SBO)

Flexicurity principle no. 4 stresses that flexicurity should help the unemployed and the inactive with better opportunities, economic incentives and supportive measures for easier access to work or stepping stones for employment (Council of the European Union 2007). The analytical framework points out that in the case of PES this implies that:

- long-term welfare dependence should be prevented by increasing the conditionality of benefits
- PES and SBO should ensure opportunities for employment
- that PES and SBO should have consistent strategies

SBO are other public agencies responsible for social security or private insurance funds. The administration of unemployment benefits, which involves contribution-based unemployment insurance and state-funded income support, is an important factor which influences the job-broking work of PES. In some countries, PES administer the schemes of social benefits directly, and in other countries the administration is separated from PES. In either case, PES is

involved because it registers claimants and checks their continuing eligibility and fulfilment of job-search obligations. In other words, PES managers cannot separate themselves from benefit issues, as PES has a key role in encouraging people to move off welfare into work. In the majority of Continental European and North European countries unemployment benefits are insurance based, and in these countries the insurance funds are important actors in the employment system. There are still employment legislation regulating the eligibility and reception of unemployment benefits, but cooperation between PES and the insurance funds is central for a smooth and effective process. Furthermore, the strategies of PES and SBO should be consistent at a level that ensures that their work is mutually reinforcing and supporting. One such example is the cooperation between unemployment insurance funds and PES in Denmark.

Table 5.7: Cooperation between unemployment insurance funds and PES

The case of Denmark
The Danish unemployment insurance funds play a vital role in the Danish labour market model as they administer the unemployment benefits for insured claimants. A recent Danish welfare agreement delegated the responsibility for the first meeting with the insured unemployed to the funds. The first meeting is concerned with the development of a CV. The advantage of having the insurance funds doing this part of the work is that the insurance funds are mainly sector-based, and thus have unique insights into the employability of their members. After the welfare agreement, the National Labour Market Authority (PES) initiated a large campaign with selected insurance funds. The campaign concerned the new role of the insurance funds in the close daily work with the unemployed. As a part of the campaign, the National Labour Market Authority and the insurance funds cooperated on developing shortlists for useful ways to work with the unemployed. The objective was to create dialogue between the partners on constructive and innovative ways of dealing with the unemployed but also to ensure a coherent way of approaching the unemployed. The campaign also included a conference for good practice exchange between PES and the insurance funds. All actors in the system emphasise that there needs to be some measure to ensure coherent strategies of PES and the unemployment insurance funds, but that no detailed prescriptions for the daily work could be made from above.

Sources: Interviews with the Danish National Labour Market Authority (PES), Jobcenter Roskilde and the Association for Unemployment Insurance Funds.

Though the survey indicates that inactive people is not a key focus group of PES, recent developments in some countries suggest that integration of active labour market measures and social benefit schemes is given increasing attention. One-stop-shops provide a single starting point for job seekers and still more countries are using them (Genova 2008). We would like to emphasise that one-stop-shops do not necessarily enhance cooperation between PES and SBO or the delivery of efficient and integrated employment services. In countries like Denmark and Finland establishing one-stop-shops has included challenges as regards the concerted responsibility of PES and municipalities in a new and relatively complex steering structure (European Commission 2006, interviews with Danish PES and Jobcenter Roskilde in Denmark). The British Jobcentre Plus has improved cost-effectiveness but employment effects are disputed (House of Commons 2008).

However, the examples in the table below indicate that PES can contribute to a flexicurity approach by more cooperation with the social benefit system to facilitate the re-integration of inactive people into the labour market. Active labour market policies and social security should offer sufficient opportunities and incentives, in terms of increased conditionality of

benefits, to return to work and to facilitate a transition from unemployment or inactivity in to work. Long-term welfare dependence should thus be prevented.

Table 5.8: Examples of PES – SBO mergers

Country	Examples
Denmark	Insured and uninsured benefit claimants all have their local job-centre as a starting point for activation – a one-stop-shop. Uninsured social benefit recipients are also met by activation demands. Whereas the uninsured are the responsibility of the municipalities, the insured are the responsibility of AMS/PES in cooperation with the insurance funds. The sections for activation and for benefits are separated which should be conducive for a work first approach.
Germany	BA/PES and social welfare have merged into one-stop-shops. This implied that social welfare recipients got access to ALMP. The merge included an increased focus on getting inactive groups integrated on the labour market. The German 'Employment oriented case management' (Case No. 5) also demonstrates that cooperation between PES and the municipalities can facilitate re-integration into the labour market for inactive persons with special labour market risks. The implementation of the case management programme resulted from the merger of social welfare and unemployment assistance.
Netherlands	On January 1 2009 the CWI/PES will be merged with the social security administration and the implementation organisation UWV. The result will be around hundred on-stop-shop centres, named Location for Work and Income. The merge will shift the financial responsibilities of social assistance to municipalities who are expected to put more pressure on the long-term unemployed.
Slovenia	Unemployment benefits and social assistance have been merged into centres representing both the ESS/PES and Social Welfare Centres. The merger implies that PES and the Social Welfare Centres should exchange data and develop solutions in dialogue, particularly for the long-term unemployed. One of the instruments is common access to data.
United Kingdom	A merger of PES and the social benefit organisation was implemented to enhance the move of inactive people into employment. The previous system, with a separate PES and benefit delivery organisation, was considered overly bureaucratic with much duplication, and it was too complicated for its users. While the PES focused merely on jobseekers, the Benefits Agency dealt primarily with passive, inactive groups receiving other welfare benefits due to for example sickness, or being single parents. This separation of tasks did not promote delivery of ambitious employment goals. PES in U.K refer that the merger of unemployment and social security delivery in 2002 has enabled Jobcentre Plus to extend progressively the rights and responsibility agenda to customers on inactive benefits and to extend to them the type of labour market measures that have successfully reduced unemployment.
France	On January 1st 2009 the French PES, ANPE and UNEDIC was merged into 'France emploi'. The merge has several purposes of which some are: simplified services, more personalised services, to provide personal advisers, to be create one entry point for the unemployed, to collect more vacancies from companies and guidance and access to training, cooperate with local authorities on job seekers, and to monitor the labour market.

Sources: Freedland et al (2008:270-274), Mailand (2005), Bovenberg & Wilthagen (2008), Arnkil (2007), good practice case no. 5, European Commission 2006, country fiche Slovenia.

Whether the most effective solution is a merged organisation of PES and the SBO is an open question. Irrespective of whether PES and SBO are merged or remain separate, it is important that the strategic objectives are consistent and that tensions between the objectives of PES and SBO are removed. The above examples show that this is largely the case. The countries in the table have generally changed social benefits from passive to active benefits.

Another issue is how different benefit systems should be included in this integrated approach. It also depends on the use that is made of these benefits in the respective country. For some countries, a substantial part of the target group for activation is found in health-related benefits, for others unemployment benefits, and for others social assistance recipients are the main target group for increasing the employment rate in their country (Peters 2007). Our research indicates that the need to combine the efforts of SBO and PES is increasingly addressed by PES.

Close partnership with social partners

Flexicurity principle no. 7 emphasises that: *"While public authorities retain an overall responsibility, the involvement of social partners in the design and implementation of flexicurity policies through social dialogue and collective bargaining is of crucial importance."*

Partnership and close cooperation between the social partners and PES can improve and ease employment services. The European Commission 2006 report on long-term unemployment establishes that PES perform better in countries with cooperation between PES, the social partners and social welfare institutions (SBO/municipalities) (European Commission 2006).

Cooperation can take place at regional, local or national level and concern better anticipation of skills needs and delivering programmes in line with local needs. In addition cooperation with the social partners tends to facilitate responsibility for various programmes and measures.

The social partners are vital partners in the flexicurity approach and in many parts of Europe the social partners are consulted when governments introduce new labour market policies. In France, the social partners have played a vital role in the recent negotiations on introducing flexicurity elements in the country. The negotiations concerned an improvement of contractual matters and making company entrance easier for employees. The social partners play a vital role in several of the flexicurity components – mainly through the social dialogue and collective agreements – social security, working conditions and contracts and lifelong learning. In Northern Europe, trade unions are also involved in the employment services. For instance, trade unions and unemployment funds (some of which are affiliated with unions) account for 20% of employment services in Denmark (European Foundation for the Improvement of Living and Working Conditions (2008).

It can be useful to look at the attitude of the Social Partners towards flexicurity and cooperation with government/PES on strengthening flexicurity, because it is hardly realistic for PES to implement flexicurity elements without the support of the social partners. Some trends in this regard include:[28]

[28] On the basis of European Foundation for the Improvement of Living and Working Conditions (2008).

- In Bulgaria and other New Member States flexicurity is increasingly perceived as a common objective of government and the Social Partners
- In Scandinavia the social partners generally support flexicurity and play a vital role in the implementation of employment policies (LO 2008).
- Continental and Southern European countries have been more sceptical towards flexicurity and expressed concerns on the increasing focus on more flexible employment policy legislation.
- At the European level and in several countries the attitudes of the social partners towards flexicurity has reflected the general opinions of the partners. Trade unions feel that there is too much emphasis on flexibility (ETUC 2008) while employers see the flexicurity debate as a window of opportunity for modernising social security systems and improving Europe's competitiveness (BusinessEurope 2008).

The social partners disagree less when it comes to the importance of skills development and training, and there is often political pressure to increase the level of public financing of education and training. At the practical level the social partners are often involved in structuring and implementing continuous training, and sometimes this involves PES. The table below contains some examples on how such work is done in different European countries.

Table 5.9

Country	Description of model
France	The semi-conductor company Freescale in France has an agreement with the social partners on developing employability of one of the company's sites. A network was established including management, trade unions, a long-term observatory on occupations, regional office of labour, employment and vocational training and the local PES. Some of the services provided to workers include skills assessment, individual training leave, validation and certification of work experience and personalised support.
Austria	The Austrian social partners cooperate with other public and private actors in the Territorial Employment Pacts across nine Austrian provinces. The pacts develop regional employment strategies and ensure alignment with other regional policies. More specifically the aim is to bring the supply oriented employment policy more into line with regional labour market demand. The policy tools include implacement foundations, qualification and training measures and counselling facilities. The cooperation is formalised in contracts lasting 1-3 years.
Italy	The social partners participate in bilateral bodies engaged in planning and managing training of the unemployed. However, the main training providers are private.

Sources: http://www.sectorskillsservice.com/iagservice.php http://www.sscalliance.org/home/home.asp, European Foundation for the Improvement of Living and Working Conditions (2008:21), www.ams.dk, Freedland et al (2008:261), OECD 2005b, ÖSB et al (2001).

The social partners often play a key role in the event of dismissals, mass-redundancies and company restructuring. Cooperation between Social Partners, PES and the company in question can prove useful for both the company and workers. Such initiatives often also include training measures.

Table 5.10

Country	Cooperation with Social Partners on restructuring
Netherlands	The re-organisation of the car company NedCar resulted in the loss of 1,500 jobs. The regional job centres, local authorities and social partners cooperated on placing the affected workers in training measures and employment services. The actions were co-financed by joint sectoral education funds in metalworking and construction and the public authorities.
United Kingdom	The British Local Employment Partnership is a partnership between Jobcenter Plus/PES and local employers on accommodating skills and recruitment challenges and integrating the unemployed on the labour market. Jobcentre Plus guarantees that the unemployed are made ready for work through measures like training and counselling. Employers are then asked to provide on-the-job-training, work trials, interviews and mentoring. Jobcentre Plus offers financial and practical support for the partnerships. There are 5,000 partnerships across the country.
Estonia	Cooperation between Social Partners and the Estonian Labour Market Board/PES has eased the transitions to new jobs in the event of mass redundancies. The cooperation is a more coherent and holistic approach to redundancies than previous measures because all relevant partners are involved, and the redundant worker is counselled on several matters: rights as regards the redundancy, financial help, finding a new job.

Sources: European Foundation for the Improvement of Living and Working Conditions (2008:21), Jobcentre Plus (2008).

PES can also cooperate with the social partners on the provision of labour market information. In Denmark the social partners are members of the Regional Employment Councils deployed with the task of monitoring labour market demand in the regions. The monitoring of labour market demand is done on the basis of a national monitoring strategy to ensure comparability across regions (Arbejdsmarkedsstyrelsen 2008a). Each council is responsible for making the knowledge on labour market needs available and applicable to the jobcentres in the region. The councils work on a contract with the Ministry of Employment.

The French social partners administer the unemployment insurance fund UNEDIC, which also finances the back-to-work training programme PARE. The programme aims at accommodating immediate local and sectoral skills needs (Freedland et al 2008:262). The challenge in this regard is to ensure that the training does not only meet the current needs of the labour market but also addresses future skills needs.

The British Sector Skills Councils are key contributors to labour market information in the UK. The skills councils represent the employers across different sectors of the economy and they are responsible for analysing and assessing the current and future skills needs of the sector (Alliance of Sector Skills Councils 2008). This is often done by a combination of qualitative and quantitative data analysis.

Finally, the social partners are some times involved in the personal and individualised employment services. PES often cooperates with the social partners on career guidance. In Lithuania, the social partners are even involved in developing personal action plans for the job seeker (Sultana & Watts, 2005).

Cooperation with education and training providers to ensure upskilling

Lifelong learning is a central component of flexicurity and is also an explicit part of flexicurity principle no. 2 outlining that flexicurity involves comprehensive lifelong learning strate-

gies and effective active labour market policies (European Council, 2007). Principle no. 5 qualifies this by emphasising that upward mobility should be facilitated.

PES is a central facilitator in that PES can – and does – refer job seekers to education and training measures to enhance their employability and upward mobility. Therefore, the analytical framework also addresses the need for cooperation between PES and education and training providers. In line with the common principles for flexicurity the analytical framework hypotheses that education and training should be constructed in line with labour market demand. This implies the normative elements that cooperation with education and training providers should ensure that:

- training offers are geared to skills needs in the short and long term
- training should facilitate upward mobility
- employability is both about finding a job in the short term and ensuring employability in the long run
- job seekers are equipped with the best possible ways to participate in lifelong learning activities within or outside work

Education and training providers can be private, public or a mix. Austria, Italy, Romania and Germany all mention that the main private organisations with which PES cooperate are training institutions. In terms of expenditure on training-related ALMP, Austria and Germany are among the top-ten spenders, but the Nordic countries spend most (as a share of GDP) (Meager, 2008). However, these calculations do not distinguish between public and private providers. According to De Koning the relative share of training as a part of ALMP is declining vis-à-vis services such as counselling and job-broking (Meager, 2008).

However, the vital element of training in a flexicurity perspective is to ensure that training is in line with skills needs of employers, but very few countries mention this as a key component of their cooperation with education and training institutions. Some countries have addressed this challenge by linking training directly to enterprises.

- In Finland, PES cooperates with employers on upskilling and retraining of workers who are likely to be dismissed or in the recruitment situation itself.
- The Greek PES supervises vocational training actions organised and implemented by enterprises.
- A Danish private education and training provider cooperates with PES on finding enterprises in need of employees

In Belgium the Walloon PES, FOREM, has partnered with NGOs and the education sector on the provision of career guidance in the Carrefour Emploi Formation. The aim is not only to improve guidance but also to facilitate networking and the exchange of methodologies and expertise (Sultana & Watts, 2005).

Other countries focus on linking referral to training with labour market demand:

- The British 2003 skills strategy reformed the New Deal programmes and granted Jobcentre Plus more freedom and flexibility to ensure that employment programmes provide skills in line with local demand (Freedland et al, 2008:252).

- The Polish work on upskilling and retraining focus on the areas where the Polish labour market has skills shortages.

Countries like Germany and Italy have training vouchers for the unemployed (and some employed people). Use of the German voucher is conditional on a '70 continuance forecast'. The forecast refers to the chances that the participant will be re-employed and is calculated by a mix of 1) former participants' employment rate after six months, 2) current and future regional labour market demand (Freedland, et al 2008:259).

Cooperation between PES and providers of education and training is typically done by subcontracting or by subsidizing the provider (Freedland et al 2007:258). Most EU Member States have moved towards greater transparency and the development of a market for provision of education and training (Ibid.).

The overall trend is that cooperation between PES and education and training providers focus more on the supply side of the labour market than the demand side. Provision of education and training is often related to the expectation and requirement that the unemployed take responsibility for their own upskilling and retraining. There are, nevertheless, a few examples of measures that also focus on labour market demand (mentioned above).

Voluntary organisations and NGOs as special service suppliers

The increasing complexity of the labour market has also implied that the unemployed now cover a wide range of different individuals with distinct needs. According to the analytical framework, PES can deal with this challenge by cooperating with other services suppliers.

In countries with a tradition for voluntary work, voluntary organisations and NGOs could be alternative and more specialised service suppliers. This is very much the case in the UK which has a long tradition for a voluntary sector. The British PES finds that partnership with non-profit organisations and voluntary organisations are vital if PES is to reach its own objectives (European Commission 2006).

However, voluntary organisations or NGOs are not among the most common providers of employment services in Europe, and only very few stakeholders who replied to the questionnaire characterise themselves as voluntary organisations. They giving some examples on cooperation with voluntary organisations or NGOs and they find that the role of such providers is to deal with vulnerable and disadvantaged groups of job seekers, i.e.:

- The Maltese PES cooperates with specialised NGOs on disadvantaged job seekers
- The Irish voluntary organisation LESN provides employment services to ex-offenders, single parents and people with disabilities.
- The Belgian organisation SLN provides services to inactive groups – in particular women, migrants, young people, and the elderly.
- A Romanian NGO provides services for people with employment disabilities.

Though not representative, the examples above indicate that PES is able to cooperate with the voluntary sector when necessary, and particularly as regards vulnerable and disadvantaged groups.

6. The internal organisation of PES

Flexicurity principle no. 8 outlines the need for a cost effective allocation of resources and it stresses that the flexicurity approach is compatible with sound finance and public budgets (European Council, 2007). The analytical framework stipulates that for PES a flexicurity approach to employment services entails (in short):

- Flexible and individualised services
- Advanced provider and user of labour market information
- Partnership and cooperation with relevant other service providers and organisations

A precondition for PES to deliver these services is that PES adapts its organisations and staff to these roles. The analytical framework outlines the following normative requirements for the internal organisation of PES:

- A more demand-driven organisation
- Decentralisation of responsibility
- Competence development of staff
- Flexible and individualised service delivery
- Advanced provider of information

The sections below address the above elements on the basis of the PES survey across the EU/EEA, case studies, desk research and the survey across PES stakeholders in the EU/EEA.

A responsive and demand-driven organisation

The analytical framework outlines that PES should deliver services in line with labour market and customer needs. This implies a responsive and demand driven organisation which entails that PES should develop methods for ensuring that its services are in line with the needs of employers and job seekers. According to flexicurity principle no. 3, EU Member States should also monitor progress towards flexicurity (European Council, 2007). One specific implication of this is mentioned in the analytical framework:

- Management by objectives (i.e., objectives in line with a flexicurity approach)

In several countries PES have started to use customer satisfaction surveys to map the ongoing interaction between PES and customers and the concept of quality management has been used across several countries' PES since the 1990s (PES Monitor 2008d, 2008e). The use of customer satisfaction surveys does not in itself ensure a more demand-driven and responsive PES but the surveys can be a tool for ongoing improvement of services.

The Swedish PES applies performance management and ongoing customer surveys among job seekers and employers are used to develop and improve the services to customers; several countries mention the same in both the PES survey and PES Monitor (PES Survey 2008, PES Monitor 2008d). The Austrian PES uses management by results according to overall labour market objectives, process management, and tracking of job seekers and employers' needs in a scorecard (PES Monitor 2008d).

In most countries there is some sort of monitoring of PES performance, but there are large differences as to how the performance is measured. In Denmark, the performance of local jobcentres is monitored by the local employment council with representatives from various stakeholders such as the social partners, municipality representatives and disability organisations. The performance of Italian jobcentres is monitored by ISFOL/The Institute for the Development of Vocational Training of Workers on behalf of the Ministry of Labour and Social Policy. The monitoring of performance also includes impact-oriented measures such as performance in combating long-term unemployment (European Commission, 2006).

The table below displays which factors PES finds important for an improved service delivery. There seems to be room for improvement as regards performance management, since PES in the 20 countries in the survey find that more performance management would improve service delivery (except UK, DK, EE, SE).

Table 6.1: Factors important for improved service delivery

Responses	Very important	Fairly important	Not important	Not relevant
More qualified staff	17	9	0	0
Greater number of staff	5	16	5	0
More performance management	11	11	3	1
More decentralisation of management to local/regional level	3	9	8	6
More integration of employment services with other public services	6	12	1	7
Changed public image of the PES with job seekers/inactive beneficiaries	10	11	4	1
Labour market information system	10	14	1	1
Larger investment in ICT	11	15	0	0

Source: Survey among PES directors 2008.

The site visits to eight different countries showed that the use of evaluations is still not very common. Moreover, the majority of existing evaluations focus on results, use and production rather than impact. One reason for this is probably the methodological challenges of making impact evaluations compared to user surveys. Some countries struggle with the methodological challenges associated with evaluating and measuring PES performance (Tergeist & Grubb 2006, Freedland et al 2008). Impact evaluations must be considered a key element in providing high quality service and ensuring cost-effectiveness of PES and its services. To know the true cost of a service measuring the impact of it is a necessity.

Nevertheless, there are examples of how PES has changed its focus from measuring production and number of users to more impact-oriented evaluations and management. An evaluation of the Walloon PES addressed this issue. This then led to a re-structuring of PES from as-

sessment based on levels of production to assessment based on impact indicators and efficiency (PES Monitor, 2008d).

The UK has frequently used impact evaluations and performance management and often in the form of social experiments (OECD, 2005a) (this could also explain why the British PES does not find more performance management necessary). According to the OECD, the British trend is to make an impact evaluation of a small project or programme before launching it nationwide. The Netherlands also have a performance management culture, but the country has experienced challenges in evaluating impact and implementing change due to the division of tasks across national government, municipalities, and private service providers. An integrated monitoring system of CWI/PES, UWV and municipalities seeks to counter some of these challenges. The system can be used for performance management because it is possible to trace client flow through the system as a whole rather than having separate systems throughout different parts of the public sector (PES Monitor, 2008d).

Decentralisation of responsibility

The analytical framework asserts that labour markets are changing rapidly and becoming more complex due to globalisation, technological development and new ways of working. Local and regional employment opportunities might vary a lot as does the needs of job seekers. The normative implication of this in a flexicurity perspective is that more autonomy and decision-making power should be devolved and/or centralised to regional and local offices. Furthermore, the complexity also entails that PES has a smooth and effective cooperation with other public organisations when needed.

As discussed in the section on PES' cooperation with other public organisations, several countries have now established one-stop-shops where municipalities and SBO often play a vital role in cooperating with PES. The Czech Republic, Sweden, Italy, France, UK and Denmark have all been involved in decentralising PES services to regions and/or municipalities (Sultana & Watts, 2005, Berkel & Borghi, 2008). 18 out of 26 countries in the survey find that better integration between PES and other public services could contribute to an improved service delivery (except DK, DE, PT, MT, FI, NL, BE, UK).[29] However, there does not seem to be correlation between which countries have established one-stop-shops and the countries replying that more integration is needed.

12 out of 26 countries find that more decentralisation would improve the service delivery of PES. Finland, Ireland, Portugal, Norway, Iceland, Estonia, Cyprus and Bulgaria do not find it important and Austria, Netherlands, Italy, Malta, Poland and Sweden do not find it relevant (probably due to existing decentralisation). This result could reflect the fact that most countries already have decentralisation strategies in the field of employment policy (Berkel & Borghi, 2008).

There are, however, also challenges associated with decentralisation of employment services. On the one hand, PES is expected to ensure that services are flexible and individualised and in line with local needs. On the other hand, PES is responsible for ensuring that all job seekers receive high-quality service and that there are not too large regional and local differences in what job seekers can expect from PES (Berkel & Borghi, 2008). A compelling solution to this

[29] Denmark is the only country which does not find this important. Germany, Portugal, Malta, Finland, Netherlands, Belgium and the UK find that the question is not relevant for them.

is for central government to claim more documentation from municipalities. However, experiences from Denmark show that demanding more information leads to a genuine risk that employment services are administered in an overly bureaucratic way (Bredgaard & Larsen 2008b).

Hence, the role for PES as regards decentralisation of responsibility is to ensure that local levels (PES offices or municipalities) are monitored and measured on their overall performance covering different types of indicators. One prerequisite for this is for the central level to perceive local and regional levels as responsible and accountable for certain services and not just as local agents for central regulation. This again presupposes that local and regional staff is equipped for such tasks.

Competence development of staff

The analytical framework and analysis in previous sections have set up an immense list of advanced services that PES should pursue in line with the flexicurity approach. As a consequence, the analytical framework also stresses that PES needs ongoing competence development of staff, more specifically:

- Qualified staff in sufficient numbers

PES staff needs the necessary and updated competences if they are to deliver personalised guidance, counselling, and advice to job seekers. This analytical approach is also in line with the European PES Directors General who in 2006 stated that PES should strive to achieve *"Continuous development of staff skills"* (EU/EEA Public Employment Services Network 2006).

The survey indicates that PES is concerned about the number and qualifications of their staff. In *all* the countries replying to the survey – 26 countries - PES find that more qualified staff would improve the service delivery and 17 countries find it very important. 21 countries also find that more PES staff would improve the service delivery (except SI, PT, DE, NO, IS), and hence this issue seems to be important for PES though less important than having more qualified staff.

For instance, the German PES mentions that a better case load ratio for each front office PES worker is more important for the service delivery than an overall increase in the number of staff. This was also the conclusion of the European Commission 2006 seminar on approaches to long-term unemployment (European Commission 2006). In 2006, CPB Netherlands, Bureau for Economic Policy Analysis, published a discussion paper about the effectiveness of the Dutch PES. The researchers found that additional PES workers increased outflow rates for the short-tem unemployed and unemployment insurance recipients. They also found that additional PES workers reduce the inflow into schemes, to improve the timeliness of benefits and to increase the number of vacancies that are registered by the offices. The change in the number of PES workers per client is cost-effective, i.e. the extra costs are compensated for by the resulting reduction in benefit expenses (case no. 11). Hence, cost effectiveness can also be achieved by having a better caseload ratio. The case also shows the importance of follow recipients if the true cost effectiveness shall be identified.

The fact that all respondents find more qualified staff important indicates that more could be done across Europe to ensure continuous development of staff. Indeed countries like Germany and Denmark have experienced that the mergers between PES and SBO/municipalities in one-stop-shops requires retraining and competence development of staff. In Cyprus, a restructuring of the organisation of PES implied training of staff in the new and old structures with the overall aim of ensuring that staff had the necessary competencies to provide personalised employment services (PES Monitor 2008e). The staff will be upskilled and retrained through on-the-job-training (Ibid.). The training focuses particularly on the key elements of personalised and flexible employment services, i.e. direct contact and interviews with job seekers, specialised and personal guidance, cooperation with other responsible actors in the system, and the preparation of personal action plans (PES Monitor 2008e).

In 24 out of 26 countries, PES finds that a labour market information system is important for improved service delivery of PES (except IE, SE). This perception of labour market information as important for successful employment services is very much in line with the flexicurity approach as outlined in the analytical framework. However, the fact that almost all respondents answer that it is important for improved service delivery also indicates that more work is ahead if PES is to develop its ability to work as an advanced provider and user of labour market information. This supports the above observation that that more qualified staff is needed.

'Back-office' strategies and data exchange are important for advanced information

The analytical framework outlines that a flexicurity approach leads to a PES that provides and uses advanced labour market information and ICT systems. Survey results on labour market information indicate that electronic provision of labour market information and services are becoming the norm. The next and more challenging stage of ICT application is a PES 'back office strategy'. The electronic provision of labour market information and services require increasing integration and data exchange between PES and other public institutions and interested actors. Such strategies are being developed in many countries. The table below displays some of the examples.

Table 6.2 Back office strategies and data exchange

Country	Strategy
Slovenia	Slovenia mentions that more integration and exchange of data between employment services, removing administrative barriers and paper-based work is strongly supported by government. Such exchange of data facilitates cooperation between PES and social welfare dealing with social assistance recipients and their obligation engage in active job-search.
Germany	The German PES emphasises the importance of an electronic data exchange system to fasten internal processes between front and back offices.
Poland	In Poland, the organisational structure of PES has undergone changes and common databases of the registered persons are being developed to facilitate cooperation between different organisational levels and entities.
Netherlands	The Dutch PES, SBO and municipalities have introduced a uniform digital client dossier used by all the involved agencies and offices. The dossier also enables tracking of clients in the system. This facilitates performance management because clients can be followed through the system as a whole.
Cyprus	In Cyprus, continuous monitoring of labour market developments through

	data collection is carried out at district level and from the PES ICT system disseminated on a monthly basis to all interested actors.
Denmark	In Denmark, the integration of the labour market information system 'Jobnet' and the administrative system of the jobcentres means that front office workers are able to check whether the unemployed have actually applied for jobs.

Source: Survey among PES directors 2008. PES Monitor 2008.

In all the countries that responded to the survey PES find that larger investment in ICT is important for improved service delivery. 11 out of 26 countries responding to the survey find it very important, whereas 15 countries find it fairly important. The Austrian PES mentions that they perceived *better* investment in ICT to be a key factor which would improve the service delivery. Good practice case no. 21 'Jobnet Denmark' shows that it can be difficult for PES to develop an effective and simple electronic system if the system is developed incrementally over time. Though the Danish Jobnet job-database generally works well, PES is struggling each time the database needs to be adapted or changed because the codes behind the system are complex webs. This has happened because the database started as a simple system but ended up as a central and mandatory tool for job seekers and PES managers. The case also reflects the challenges that PES face in balancing the need for constantly developing the ICT systems of the organisations according to user and staff needs while ensuring that the system – and the codes behind it – is simple and cost-effective.

7. Conditions to be fulfilled in other components of flexicurity

The previous sections have identified and discussed PES practices across Europe which can contribute to enhancing flexicurity. These practices are linked either directly to the delivery of services to different types of clients, to the internal efficiency in PES organisation, or to the efficient use of cooperation with service providers and other stakeholders with the aim of providing a better or more efficient service.

Looking at the results only from the viewpoint of 'good flexicurity PES practice' may lead one to observe that there is plenty of room for improvement in most European PES. This observation would, however, ignore the complexity of the issue at stake when discussing flexicurity and the role of institutions in achieving 'more flexicurity'.

First, flexicurity involves the interaction of systems and institutions which are located in the realm of policymaking and hence – at least in principle – outside the scope of PES influence. According to Auer (2007), the creation of flexicurity in increasingly globalised labour markets requires that bargaining between social partners and the state start from an enlarged agenda. By that, he means that bargaining should take into account the need of firms to be able to adjust production and to secure productivity as well as security and welfare concerns of workers, and sustainability concerns of the state. Hence, the interests of the state and the social partners have to be taken into account in a social dialogue with the aim at reaching new compromises, which transcends traditional positions and replace existing institutions with new ones mores suited to a global economy.

Consequently, even though there is significant scope for European PES to tune their spending and activities towards a flexicurity approach, it should also be emphasised that the PES are deeply embedded in legal, institutional, political and economic structures. Furthermore, politically motivated changes in regulation may change the playing field of PES considerably (e.g., if a Government decides to change the tax system and thereby changes the incentives to work for low-wage groups). Likewise, as noted by Christian Charpy, Director General of the French National Employment Agency (ANPE) at a Thematic Review Seminar on flexicurity (Charpy 2008), contractual provisions laid down in legislation or in collective agreements affect the volume and type of individual transitions and the fluctuations of vacancies. Hence, the scope for PES to act positively to enhance flexicurity is largely defined and constrained by factors outside of the reach of PES, and prescriptions for a more active flexicurity role for PES need to consider these constraints.

For example, a flexicurity approach calls for the combination of active labour market policies with flexible schemes for income replacement/supplement and also with lifelong learning. The extent to which PES can be instrumental in implementing such an approach depends on a number of factors:

- Regulation of and constraints on benefits
- The market share of the Public Employment Service
- Whether eligibility for unemployment benefits and social benefits is conditional on participation in active labour market measures

- The finance available for active measures
- Whether unemployed and inactive persons have access to and are allowed to participate in continuing education and training
- The availability of relevant training courses in the educational system

Due to PES being an executive agency, most of these factors are beyond the scope of PES decisions. Furthermore, these factors play out very differently in European countries. As Freedland et al. (2007) notes, the autonomy of Member States has produced a rich and complex set of regulatory microcosms that cannot be reduced to one single public service model. Consequently, in order to be able to make relevant recommendations to the PES, it is essential to understand which conditions need to be fulfilled in the other components of flexicurity in order for PES to fulfil its role as promoter of flexicurity to the full extent.

Below, we will discuss these conditions for each of the three components of flexicurity: 'Flexible contractual arrangements', 'Reliable and responsive lifelong learning (LLL) systems', and 'Modern social security systems'. A word of caution is in place here: Care should be taken to keep in mind that flexicurity is a *configuration* of policies, and hence, improvements in one of the components will not necessarily lead to 'more flexicurity'.

In order to aid the discussion and to illustrate the breadth of the different regulatory and market conditions faced by the European PES, we will use examples from five countries representing different approaches to flexicurity: Austria, Denmark, France, Slovenia, and the Netherlands. For each of these countries a brief fiche has been prepared illustrating where the country stands according to each of the four components. The fiches are found in Annex 3 of the report.

7.1. Flexible contractual arrangements

Contractual arrangements are of central importance in a flexicurity context, as they determine the degree of numerical external flexibility in the labour market. The external flexibility affects the number and character of vacancies as well as the nature and size of the labour supply. Below we will discuss how PES' roles are influenced by different flexibility situations in the labour market and which contractual arrangements facilitate an active role by PES.

The role of employment protection legislation (EPL) and levels of strictness of EPL

Employment protection legislation has as its core the protection of workers in employment from being fired, and hence is aimed at creating job security. Employment protection legislation is frequently measured by the OECD's EPL Index[30] which measures the strictness of legal provisions on hiring and firing workers.

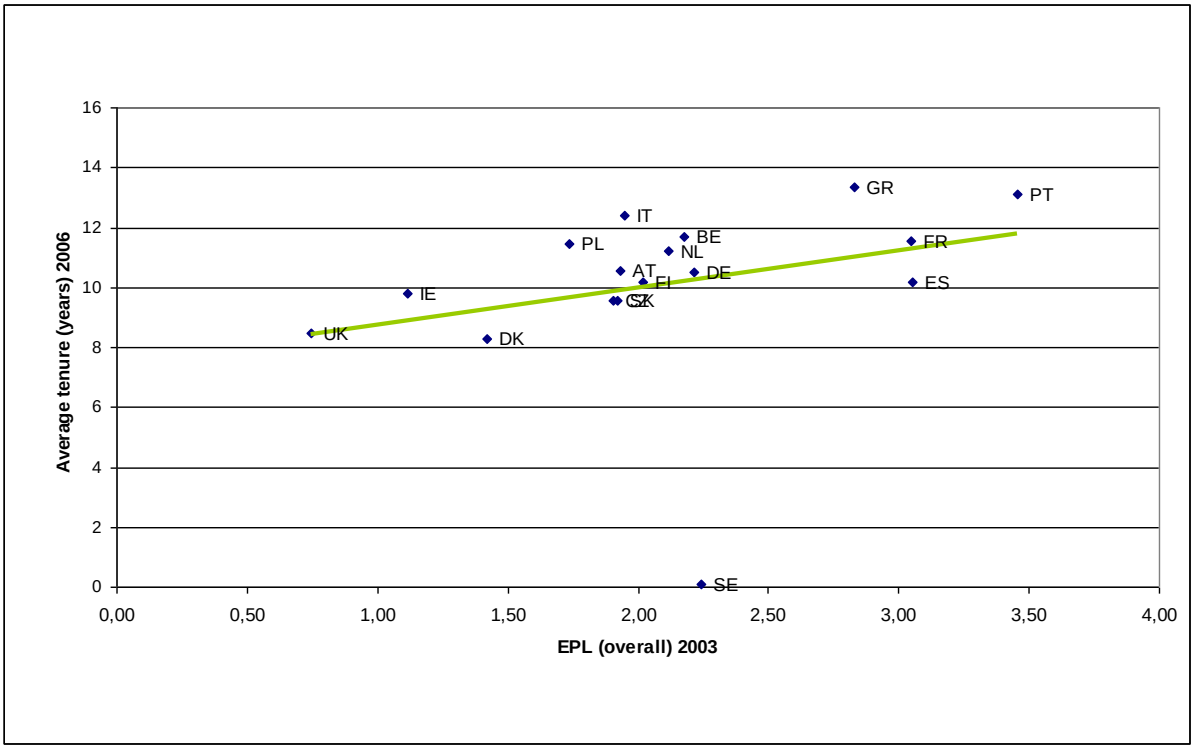
Strict EPL is associated with long tenure and low labour turnover

The empirical literature suggests that strict EPL has a negative impact on labour turnover. In Employment in Europe 2006 (European Commission 2006c) it is demonstrated that countries with strict EPL have high levels of average job tenure and low levels of labour turnover. The

[30] For a description of the index, see OECD (2004), Chapter 2.

relationship between strictness of EPL and tenure in European countries is shown in Figure 7.1 below.

Figure 7.1: Average tenure by strictness of EPL



Source: Andersen et. al. 2008, data from OECD & Labour Force Survey 2006, 2nd quarter

Furthermore, stricter EPL, by reducing both hiring and firing, tends to lead to longer unemployment durations, with high long-term and low short-term unemployment respectively. Finally, OECD (2008) finds that if EPL hinders firms' ability to adjust their workforce in response to business-cycle fluctuations, firms may hire workers informally to avoid severance costs and increase flexibility. In a situation with strict employment protection legislation, PES may therefore need to devote more resources to measures and support for the long-term unemployed. Also, in situations where EPL is not so strictly reinforced, PES may have to tackle a labour market where informal work prevails.

Institutional flexibility is associated with upward mobility…
Employment protection legislation influences numerical or external flexibility by making it difficult and/or costly for employers to reduce the workforce. Analysing data on employment protection, mobility, and security, Muffels (2007) finds that institutional flexibility, measured as the inverse of the overall EPL Index has a positive effect on mobility, both contract mobility (between contract types) and occupational mobility – except for temporary workers, where an institutional flexibility seems to have a negative effect on their contract and occupational mobility. Andersen et al. (2008) in a large-scale study of mobility in Europe find that countries with weak employment protection legislation exhibit high upward mobility rates measured by changes in skills requirements. Upward occupational mobility is found to be highest in countries with a high share of workers having changed employers once or more. In other words, institutional flexibility enhances job mobility, and high rates of job mobility are associated with higher rates of upward occupational mobility.

Is a high level of mobility always desirable, however?
There are several indications that low flexibility is harmful to the economy and labour market performance (Bukodi & Róbert 2007; Auer 2007; Muffels 2007). However, too high flexibility may also have negative implications. Investment in specific training by workers and firms may be wholly or partly lost as a consequence of job mobility. It is suggested by Auer (2004, 2007) that tenure and productivity at an aggregated European level is related in a way that productivity grows with tenure up to 14 years and then falls. A company level study by Kramarz & Roux (1999) arrives at a similar conclusion, albeit they place the 'optimum tenure' somewhat earlier: The authors find that employing workers with 4-10 years of tenure has the most beneficial effect on productivity, as a one percent increase in the share of this group increases firms' productivity by 0.36 percent as against only 0.05 percent increase in productivity if the group with 1-4 years of tenure is increased by one percent and a negative effect on productivity of increasing the proportion of workers with less than one year of tenure.

In order to take these factors into consideration when assessing the labour market flexibility of European countries, we have developed (Andersen et. al. 2008) a 'balanced job mobility index' earlier.[31] This index is found to correlate strongly (R^2=0,655) with the OECD's employment protection legislation index. The stricter the employment protection legislation in the country concerned, the larger the deviations from the 'balanced job mobility' targets and the lower the 'balanced job mobility' score.

To sum up, while employment protection legislation enhances individual job security, it also has potentially negative effects in a flexicurity context by acting as a barrier to individual transitions enabling people to achieve better jobs and higher wages and by stifling growth and innovation. For PES, a system characterised by permanent contracts and strict job protection may make the task of helping people with specific difficulties into a job difficult. In such a system, employers will tend to be less willing to take a risk in recruiting faced with the prospect of having to stick with the new employee or pay a considerable price for parting with him or her. According to Auer (Auer et. al. 2004, Auer 2007, and also Gazier 2007), legislative focus ought to be shifted from protection of *jobs* to protection of *transitions*, so that the individual risk of unemployment and income loss is targeted while the potentially stifling effects of job protection is avoided.

Which contractual relations enhance flexibility and mobility of insiders as well as social inclusion of outsiders?

In the European labour markets, four contract types dominate: Permanent contracts with no fixed end date; fixed-term contracts for projects or other temporary employment; part-time contracts (which can be permanent or fixed term); and self-employment, including free-lance employment.

Temporary and part-time employment may for some individuals represent an opportunity to be involved in the labour market even if for family or health reasons, they are not able to work full time. However, in many instances, temporary or part-time employment contracts can be

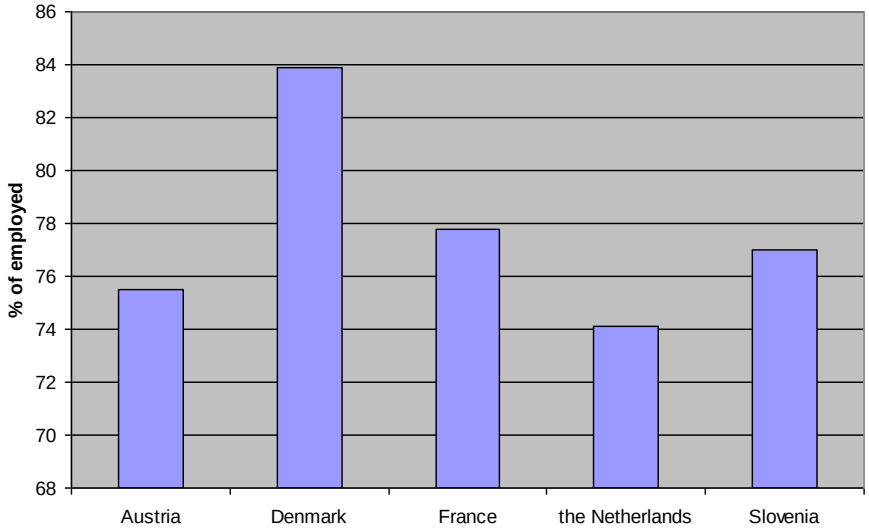
[31] The index is calculated using the following target indicators: Average job tenure in knowledge-intensive private sector occupations: 6-9 years; Voluntary job shifts as share of all job shifts: At least 66%; The share of voluntary temporary employed is higher than the share of forced temporary employed; Share of job changers who report that the present job requires more skills than the previous job: At least 50%.

regarded as an intermediate state between full employment and unemployment. Consequently, an important issue relating to transitions involving temporary employment is whether the transition leads to more employment in the form of either permanent or fixed term contracts, or to some other status, in particular unemployment or inactivity.

There is a rather large variation between the European countries concerning the use of different contract types. The share of the working population who works part-time and/or on fixed-term contracts or as self employed ranges from 16.5% (Estonia) to 57.8% (the Netherlands) with the EU25 average at 39.6%.[32] This variation is mirrored in the market share of PES. Where a large share of the workforce is employed in temporary contracts, it is to be expected that a large share of broking activities are undertaken by temp agencies or other private employment services, which do not necessarily need to have regional or local labour market insight or partnership with the social partners. Indeed, CWI (the Dutch PES) only covers a limited part of employment services.

Of particular importance to PES in its matchmaking capacity is whether the labour market offers different contract types according to the wishes of the job seekers. Whether this is the case in a particular labour market can be assessed by exploring the reasons people give for working part time, on a fixed-term contract or as self-employed. If a large share of the employed responds that they have not themselves chosen their contract status voluntarily, that may indicate a too rigid labour market, creating entry barriers for young people, women returning from child care, disabled people or other disadvantaged groups. The figure below shows the situation in the five countries. Between 15% (DK) and 25% (NL) of the employed in each country respond that they work on non-standard contracts and that this is not their own choice but because they could not find a full-time job or due to reasons such as own illness or disability, care of children or other dependents.

Figure 7.2: Share of employed persons *not* working in *involuntary* fixed-term or part-time contracts



Source:European Commission (2008).

[32] European Commission 2008b

In such a situation PES may facilitate the inclusion of the outsiders by measures which aid employment, such as promoting the employment of outsiders, up-skilling and targeted wage support schemes.

Contractual arrangements that improve 'combination security'

Combination security is associated with the certainty of being able to combine paid work with other social responsibilities and obligations. It is important for social sustainability and social coherence, as it allows employees to achieve a balance between work and social life and in particular, family life.

Part time contracts aid combination security – but at a cost

In Europe, part-time contracts have been the traditional way of solving combination security issues. Part-time contracts allow women to work while still being able to take care of children and home. Research has indicated, however, that that the quality of work of part-time workers is often lower than that of comparable full-time workers, notably in terms of access to training, career development and promotion possibilities (see, e.g., Anxo et al, 2007b quoted in European Foundation 2007). Therefore, it may be relevant for policymakers and social partners to explore other ways to increase combination security. In a number of countries, permanent full-time contracts are currently being made flexible to allow for a better work – life balance.

Working time flexibility can be achieved in standard contracts

Working time flexibility allows workers to vary their working times according to their needs. Under flexible working time arrangements, the total length of working time, as well as the beginning and end of the daily work schedule, may vary. Likewise, contracts may provide for flexibility over the week, month or year. Such flexibility may be laid down in individual contracts, in collective agreements or in legislation. An example of such legislation is the provision in the parental leave legislation of the Scandinavian countries providing for both mothers and fathers to take maternity/paternity leave at birth and parental leave later in their child's early life.

Other types of working time flexibility include working time schedules, phased retirement and early retirement, unusual working hours (night shift, Saturday or Sunday shifts or shift work in general), and overtime.

Seen from the perspective of the PES, contractual arrangements should be so diverse as to cater for the variety of requirements of employees as well as of firms while still delivering a reasonable level of security against unwarranted dismissals or abuse of working time flexibility.

Transition guarantees for redundant workers borne jointly by employers, social partners and PES

Where involuntary redundancies are inevitable, a number of supports and measures are available to avoid loss of human resources. A study on restructuring in Europe (Haahr et. al. 2006) identified the following types of measures which may aid transition:

Financial incentives and compensations

A variety of financial incentives and compensations can be mobilised to ensure the livelihood of employees in a transition period following redundancy. These include offers such as:

- Job-guarantee (period varies)
- Severance payment
- Mobility compensation (from company or state)
- Financial incentives to employees who choose to set up their own business
- Financial incentives to redundant workers who manage to find a job by themselves without disrupting production
- Early retirement schemes (in excess of what is offered generally in that particular regional or national context)
- 'Stay-on' reward for workers whose competences are needed for the closing down period.[33]

Assistance to employees to identify alternatives

- Access to services of redeployment/outplacement agencies.
- Intensified job-information services (run by PES or private agencies)
- Access to individual life and career counselling (by PES or private agencies)

Assistance to employees to enhance their employability

- For example access to training via a voluntarily transfer to a transfer agency where employees receive further training in order to be placed in new jobs. An example of such a concept is found in Sweden, where networks ('Arbetsgivarringar', literally 'employer rings') promote the exchange of information among employers in different sectors with regard to certain human resource issues, such as illness prevention, supporting people in their return to the workforce and encouraging increased mobility in the labour market (2004)

Which of these measures are in place at company or sector level plays a crucial role for the way that PES should organize its efforts. If transition guarantees are primarily financial, emphasizing income security, there will be a need for PES to deliver a proactive effort to facilitate transitions by way of training and counseling to ensure employability of the redundant employees. If, on the other hand, the social partners and companies provide tailor-made transition services, the PES may be required to act more as a specialised service provider.

7.2. Reliable and responsive lifelong learning (LLL) systems

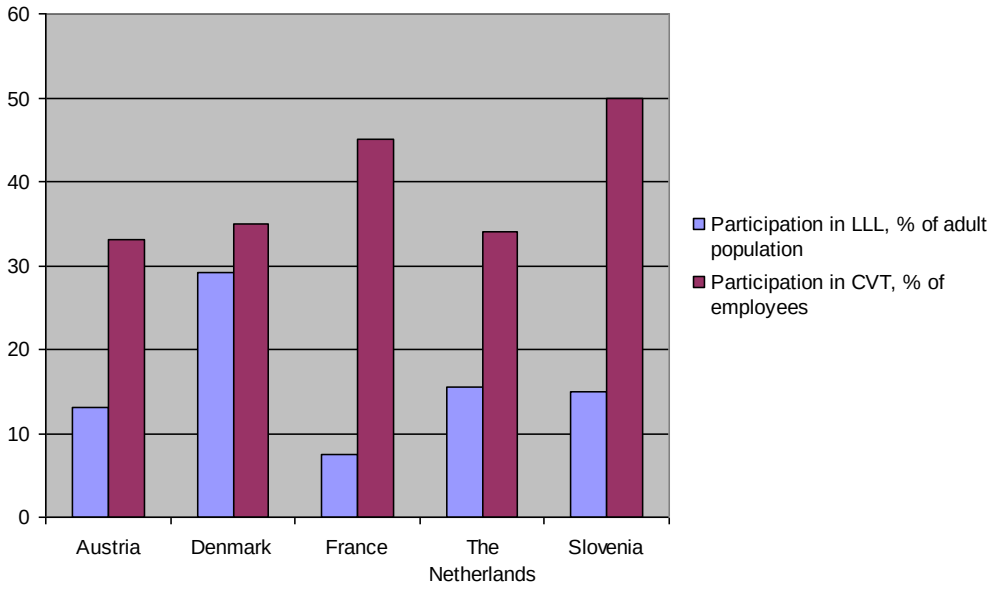
It is generally recognised that employability is a critical issue in creating flexicurity. Employability is the factor which allows the individual employee to move on, whether voluntarily or after being fired, to a new and possibly better job without the risk of long-term unemployment. As lifelong learning contributes actively to employability, access to a strong system of lifelong learning which is in tune with current and future skills needs in the labour market is of vital importance.

[33] Haahr (2006) quotes the case of the multinational food company *Danone*. The company devised a scheme whereby a core group of workers with special competences were identified and offered an allowance which increased considerably over the 1½ year period from the agreement was entered into and until the final closure of the factory.

What incentives have proved successful in countries experiencing large participation in LLL?

Of the five countries under scrutiny, Denmark has by far the largest share of the adult population participating in lifelong learning, i.e., 29.2%, which is almost twice the share in the Netherlands which takes the second place with 15% in lifelong learning. The share of the population in lifelong learning is illustrated in the figure below. The picture is, however, quite different when it comes to participation in continuous vocational training. Here, the share of employees participating in work-related training varies between 33% in Austria and 50% in Slovenia with the remaining countries between these figures.

Figure 7.3: Share of the adult population in lifelong learning and share of employees in continuous vocational training, 2007 (%)



Source:European Commission (2008).

Looking at the five countries, we find that public spending on education varies only slightly from 5.19% of the GDP in the Netherlands to 5.83% in Slovenia. The only exception is Denmark which spends 8.28% of its GDP on education. One could wonder whether the lower public spending in the other four countries is offset by high investment by enterprises, but that is not the case. Investment by enterprises in training of adults varies from 1.4% of total labour costs in Austria to 2.7% in Denmark with investment in the remaining countries around 2%.

Incentives for in-company training works – but still room for improvement

It appears that stakeholders in all the five countries invest in continuous vocational training to a certain degree. Still, it can be discussed whether it is satisfactory in a knowledge economy that less than half the people in employment participate in training in one year.

Large Danish investment in lifelong learning pays off in high participation rates

In Denmark the state spends considerably more than in the other countries on lifelong learning, and we also find that the share of the population participating is considerably higher. We may recall at this stage that whereas only employees participate in continuous vocational training, the figure for participation in lifelong learning also include education and training activities among the unemployed, i.e. training and education which is part of ALMP.

What is the effect of measures such a tax credits to firms and workers and training budgets tied to individual workers, irrespective of workplace

Tax credits used infrequently and results are not well documented

According to Dohmen (2008) only few countries apply individual or corporate tax credits as a means for financing VET and even fewer evaluate the effects on training participation of the tax instruments.

In Austria 120% of expenses for CVET can be deducted from the tax base of the company; i.e. an incentive of 20% above normal taxation. Alternatively an educational premium of 6% can be applied for, which is more or less equal to a 20% tax deduction. Individuals can deduct their expenses, too, but frequently forget to do so.

In the Netherlands, training expenses can be deducted from an individual's tax base, and the assessment is that this option is used by approximately 3-4%. According to Dohmen, Dutch sources expect a reduction in training participation of almost 50%, if the tax incentive were to be be abandoned. Another instrument was introduced in 1998 when firms were rewarded with tax incentives for providing training for employees over the age of 40. Training participation in this group rose to a level 15-20% higher than that in the younger group, but closer scrutiny revealed that the increase was almost completely due to a postponement of training participation by the firms so that they would gain from the tax incentive. Hence, the attempt to create a targeted incentive ended up with what is usually termed a perverse incentive.

Finally, in France, companies have to pay a training levy which may be considered a penalty tax on insufficient training expenses by companies.

Individual learning accounts (ILAs) are piloted in several countries

Cedefop (2008a) provides an overview of the current diffusion of ILAs in Europe. The rationale for introducing ILAs is to provide individuals with a right to learn which is detached from his or her employment status and from the dispositions of the current employer. ILAs allocate money to an individual's account to purchase training of his or her choice. Sometimes 'real' money is used, but in many cases the transfer and payment is notional. For example, an individual opens an account with an ILA managing organisation (not necessarily a real bank), selects a course and receives approval. The course provider is then paid by the ILA managing organisation.

Among our five countries, Austria and the Netherlands have experience with such schemes. In two pilot projects in the *Netherlands* about 3,000 accounts were created and about 100 companies participated. The government provided funding of around €450 that could be added to by participants or by third parties. Personal contributions were required, either as a (variable) deposit or through participation in further training in the participant's free time.

Austria has several voucher schemes operated by the individual federal states and the chambers of labour. Funding levels vary. In the Tyrol, vouchers can be worth up to €500, with 25% of costs provided by the government. The State Training Account in Upper Austria provides bonuses and member discounts for employed learners and 80% of the costs for special target groups (low-skilled workers, workers aged over 40 and women returning to the labour market). About 20,000 participants from the Upper Austrian Training Account have been funded each year.

In the briefing paper, Cedefop concludes that several issues need to be taken into account before setting up an ILA-based system of financing of continued training and education, among them:

- Apportioning funding - e.g., a fixed maximum government payment topped up by individuals, employers or both; or a fixed percentage share formula – government (X%), individuals (Y%) and employers (Z%).
- Form of participant contribution (financial, training in free time)
- Eligibility conditions for participation including definition of target groups
- Training provider and course eligibility
- Fund management and payment transfers
- Course completion incentives
- Role of guidance
- Links with other financial support
- Scheme administration

ILAs are relatively new instruments with potential to improve learning, and there has not been sufficient experience with different types of schemes that firm conclusions of efficiency can be drawn. Cedefop therefore calls for further research at European level to determine the effects of ILAs compared with other instruments, not least their 'deadweight' and substitution effects.

Implications for PES
Financing instruments that give incentives to individuals or companies in the form of tax reductions or training accounts take on very diverse shapes across Europe. It is important that PES are aware of schemes operating in their country and of their specific strengths and weaknesses in relation to ALMP. Tax reductions targeting companies do not aid training as a component of ALMP, while both individual tax reductions and some form of ILAs not linked to companies do.

The effects of social partners' joint training funds at branch or regional level

Eight European countries, among them three of our five countries, notably Denmark, France and the Netherlands, employ social partner joint training funds (Cedefop 2008b, 2008c). The training funds may be created through voluntary arrangements amongst social partners within the different sector collective agreements. A relatively large number of training funds are specialised by sector or items (regions, professional categories, companies' legal status or size) and features a bipartite governance structure (B, DK, F, I and NL). A different model is found in the UK in the form of Sector Skills Councils, set up as employers' initiatives backed by the public authority and governed by boards including employee representatives.

FINANCING OF STFs		BE	DK	ES	FR	IT	CY	NL	UK
INCOME SOURCES	Levy % on payroll	o	o	o	o	o	o	o	o
	Other								o
NATURE OF TRAINING LEVIES	Compulsory	o	o	o	o	o	o	o	o
	Voluntary							o	o
SELF-AUTONOMY OF STFs TO DECIDE ON INCOME SOURCES		o	o					o	o
LEVY-GRANT/LEVY-EXEMPTION MECHANISMS	Levy-grant mechanisms	o	o	o		o	o	o	o
	Levy-exemption mechanisms				o				
LEVY PAID TO	Social security agency	o		o		o	o		
	STF		o		o			o	o
PRESENCE OF OTHER INCOME SOURCES				o			o	o	o

Source: Cedefop (2008c)

In all countries except France, the training funds are financed by a 'levy-grant mechanism'. In France, enterprises are subject to a 'levy-exemption' ('train-or-pay'). It is important to note that training funds may finance a variable share of the cost of upholding a system of continuous vocational education. In Denmark, for example, the training funds pay only a symbolic contribution to the cost of courses.

Cedefop (2008c) concludes that besides strengthening social dialogue, these training funds have a number of strengths as well as weaknesses. Of these, the following are particularly relevant in a PES context. :

- They may increase company awareness of the importance of training
- They increase and stabilise the resources available for training purposes (enterprise contributions, public funds)
- They may promote SME participation in training activities
- They may contribute to quantitative and qualitative improvement of training supply
- The Training Funds themselves may act as centres of expertise and sectoral knowledge
- SMEs tend to pay insufficient attention to the possibilities training can offer
- There is a risk of predominance of employer perspectives on training needs, not employee
- And also a risk that training providers focus on sector specific needs rather than more generic and transferable skills.

Implications for PES

As is the case for tax schemes and account schemes, training funds may provide important instruments to enhance competence development at enterprise level. Contrary to the above-mentioned schemes, however, training funds are specifically targeted at employees. In countries where such schemes are predominant, PES face a specific challenge in ensuring a supply of training courses available to unemployed people and disadvantaged groups that is tailored to the specific needs of these groups.

What models of collective agreements between social partners have proved successful as to enhance investment in LLL?

Not only financing instruments but also the right to participation in courses and free time to do so may strengthen lifelong learning. In this respect, the social partners play a crucial role.

In Denmark, for example, a 'right to freedom to train' was introduced in the 1991 collective agreements as one week of paid education, which was extended to two weeks with the collective agreement of 1993, and the training issue was introduced as a separate clause in the agreements (Cedefop 2008c). In the 2000 collective agreement, it was recommended that the companies carry through a systematic training plan.

Lifelong learning – implications for PES

PES has two main roles to play in respect to lifelong learning:

3. As a provider of qualifications to the unemployed in an ALMP setting and
4. As a knowledge centre providing guidance and information to job seekers about training and education opportunities.

In order that PES may fulfil these roles, the system providing training and education needs to be organised in such a way that it is accessible to all PES' target groups, particularly disadvantaged groups. Employer-centred financing schemes do not necessarily preclude this, but where such schemes operate, they must be supplemented by public financing that can cover the cost of participation for PES' target groups. In order for PES to function as a provider of information on labour market training, training systems have to be transparent, and PES' internal organisation has to be geared towards collecting and distributing this type of information and guidance.

7.3. Modern Social Security systems

Social security systems are vitally important in an effort to create flexicurity. Social security systems provide income security for people who (temporarily or permanently) do not have income from employment or self-employment. But in addition, social security systems impact upon flexibility, as the access to and the size of benefits is important when individuals make decisions about taking up jobs.

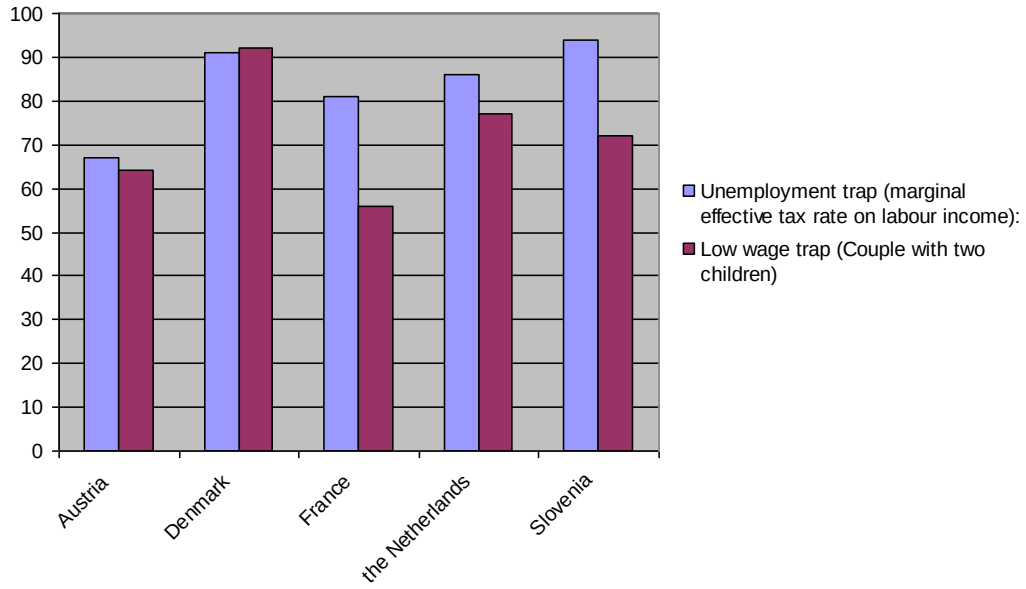
The European systems vary considerably. At one end we find the southern European-type *breadwinner-model* where men ("breadwinners") support their families economically and the women take care of children and the elderly. At the other end of the scale, we find the Scandinavian-type model, where social rights and benefits are granted to individuals taking their specific situation into account, and where extensive day-care for children and public care for the elderly free women to participate in the labour market.

These models are associated with different types of inflexibilities in the labour market. The breadwinner model reduces the labour supply because women leave the labour market for long periods. Furthermore, it is usually associated with strict job protection, as the implications of the breadwinner losing his job are grave for the whole family. The individual-oriented model is typically associated with quite generous benefits which compensate for the lack of family support and allows disadvantaged individuals to lead a respectable life. In the case where the individual is able to work, generous benefits may, however, create 'traps', i.e. situations where it does not pay to work, as the marginal benefits of taking up employment or by increasing one's number of hours on the job are very small.

Which social security systems have proved successful enhancing the move off welfare into jobs?

Flexicurity calls for 'modern' social security systems. 'Modern systems' in this context mean systems that provide for adequate income security for those unable to work for short or long spells, while at the same time facilitating people to get out of inactivity and unemployment and into employment and economic independence. In order to create such a situation, social security systems should as far as possible avoid giving benefits that create 'traps', i.e. situations where people are punished economically if they increase their activity level by taking up employment or working more hours. Such traps exist in most countries with a well-developed social security system. The figure below shows the unemployment trap and the low wage trap in the five countries. Both traps are illustrated by the marginal effective tax rate (including not only income tax but also loss of specific supports, such as housing support, child support, etc.) on increasing activity. In the case of the unemployment trap, the figure shows the marginal tax if the average unemployed person takes up employment, and in the case of the low wage trap, the figure shows the marginal tax if a person in a couple with two children increase her income from 33% to 66% of the average income.

Figure 7.4: Unemployment traps and low wage traps, marginal tax rates (%). 2007.



Source: Social Protection Committee (2008)

The figure demonstrates that the traps exist in all five countries. The highest unemployment trap is found in Slovenia at almost 95%. Here, the financial incentive to move out of unemployment is dangerously close to being non-existent. However, the other countries also display quite low incentives. The incentive is highest in Austria, where the 'marginal tax' on moving from unemployment into employment is 'only' 67%. Concerning the low wage trap, the highest figure is found in Denmark at 92%, meaning that the incentive for low-wage groups to earn more, e.g., by taking up full-time employment instead of working part time, by working overtime or by trying to move into jobs demanding higher qualifications, is quite low. This comes as little surprise as Denmark is well-known for its comprehensive system of social benefits which is based on a high and steeply progressive income tax. France, at the other end, has a quite moderate low wage trap.

As we have seen earlier, however, the social benefit system is not the only source of flexibility (or the contrary) in the labour market, and an isolated lowering of benefits without taking into account other factors like the competences of the labour force or their family responsibilities will not necessarily lead to a large supply of labour or greater flexibility, but only to a decrease in family budgets.

In order to avoid such situations, many countries are currently introducing tighter eligibility for the long-term sick and disabled. This corresponds to the principles of the so-called 'activating welfare state' where opportunities for early retirement may be abandoned or restructured and where later retirement triggers entitlement to other (unemployment or disability) benefits. According to a recent analysis of European systems of social protection (MISSOC secretariat 2008), many countries offer the possibility of partial disability benefits (e.g., Bulgaria, Czech Republic, Germany, Estonia, Greece, Cyprus, the Netherlands, Poland, Portugal) instead of "all or nothing" benefits so that work disincentive effects can be minimised.

Moreover, the requirements for obtaining full benefits can be strengthened. In the past people with a part-time incapacity often received full benefits. Many countries now prescribe that full benefits can only be obtained by people who are without prospect of further employment (e.g., Malta, Denmark, UK). On the other hand, part-time options should make it easier for disabled workers to remain in the labour market in both the short and the long run and so reduce the prevailing tendency for their early exit.

Portability of benefits and pensions

A factor which has a strong influence on external flexibility is the *portability* of entitlements to social benefits and rights. In countries where social protection relies strongly on statutory insurance, registered unemployment usually gives access to health care and the pension system. Pension entitlement is also built up during unemployment, although the transfer ratio is much reduced. As such, these elements are possible impediments to a fully realised and flexible life course. In countries where rights and benefits are granted to the whole population, it is less important how employment interruptions are classified, because basic rights are not affected by employment status and the classification of employment interruptions.

When social security systems make some of the benefits conditional on the existence of an employment situation, there is a big risk that people in an atypical working situation will lose their guarantee of security. The analysis by MISSOC (2008) finds that this conflict of flexibility and social protection can be observed in every Member State, regardless the model of social security. However, in agreement with Peeters et. al. (2007) the MISSOC analysis finds that conservative corporatist welfare regimes[34] where there is a clear link between social benefits and earlier occupational activity will get more easily into conflict with a flexible reorganisation of working life because employees will be reluctant to make a break in a working career to take leave or take up another job with the associated risk of payments being lower for the period out of work or with fewer hours. In liberal welfare states[35] arrangements at

[34] The MISSOC report refers here to the welfare regime model developed by Esping Andersen and adopts the typology used by Klammer (2005) who classifies the following European countries as conservative corporatist regimes: Germany, France, Belgium, Austria and Luxembourg.
[35] The UK and Ireland

company level may also have an impact on the flexicurity as they tie employees to the single employer.

Flexible retirement and size of pensions

Retirement schemes play a big role in enhancing or impeding flexicurity, not only because they provide incentives for people to retire at specific ages, thus impacting significantly on the supply of labour. Early retirement schemes are often conditional on a specified insurance period, which is frequently linked to a number of years ranging from 15 to 40 of full-time employment. This may influence employees' willingness to take risks connected to job change negatively. From an equal opportunities perspective, on average men will have better access to such schemes than women, and where an early retirement sum is dependent upon previous income, they will also have higher benefit rates because they have worker for longer periods (and probably received a higher wage).

In order to solve these problems, flexible early retirement schemes and flexible age pensions that give people incentives to stay on in the labour market, yet still provide basic security for those not able to work, may prove a solution, and indeed such schemes are tested in several countries.

7.4. Contractual arrangements, lifelong learning and social security systems – summary

In order for PES to be able to contribute to flexicurity, it is important that conditions are in place in the other components of flexicurity. As the brief review above demonstrates, the labour supply as well as the flexibility of the labour force is largely determined by economic and social constraints and opportunities operating in labour market legislation, educational systems and systems of social protection. We have also seen that whereas these conditions vary significantly across Europe, most countries are in a continuous process of reforming and adjusting these framework conditions. These reforms take place in a more or less coordinated manner, and attempts to create incentives to work or to improve job security may sometimes have unintended or unwanted side effects.

Hence it is obvious that PES need to be aware of the specific constraints and opportunities available in their own national context.

What is maybe less obvious is that PES are placed in a strategically important position in the middle of the transitions in the labour market. From this position PES are able to observe and evaluate the recruitment behaviour of companies and the transition behaviour of individuals. There is in PES a huge sum of knowledge about the actual flexicurity as it plays out in the labour market. Hence, a very important role for PES is to pass on this knowledge to policy makers, not only in the labour market policy field but just as much with respect to the effects of incentives created in the educational and social security systems.

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Annex 1: Good practice cases

Germany

Case 1: Systematic profiling of PES clients

Profiling	
PES	Bundesagentur für Arbeit (BA) (Federal Office of the German Public Employment Service)
Country	Germany
Contact person	Dr. Wolfgang Müller and Dr. Markus Schmitz, BA E-mail: Wolfgang.Mueller6@arbeitsagentur.de
Name of good practice case	Systematic profiling of PES clients
Type of good practice case	Systematic and comprehensive profiling of BA (PES) clients
Role(s) of PES – brief description	Systematic and comprehensive profiling of PES clients is one of the cornerstones of the overall PES integration strategy. The profiling approach is developed, financed, and implemented by PES.
Relation to analytical framework	The German PES profiling approach is an example of a comprehensive and sophisticated instrument, helping PES to assign the appropriate service to its clients in an efficient way. The good practice case refers to the following dimensions of the analytical framework: At PES customer level ▪ Supporting employability and life long learning ▪ Balance extensive support with self help strategy ▪ Support occupational and job-to-job mobility At PES level ▪ Advanced provider of information ▪ Competence development of staff
Main goals and objectives	Systematic and comprehensive profiling of PES clients is one of the cornerstones of the overall PES integration strategy, i.e., diagnosis, therapy, labour market integration
Reasons for its introduction	Profiling as an important component of the PES “action programme” was part of an overall 2004 restructuring of the PES (part of the Hartz-Reform). The PES-restructuring was due to an unfavourable labour market situation and an internal PES scandal triggered the initiative.
Level of implementation	National
Main target groups	▪ All PES clients notified as unemployed ▪ All PES clients notified as jobseekers ▪ PES clients looking for counselling

Partners	Specific parts of the profiling process may be outsourced to other service providers.
Short description of the example	Systematic and comprehensive profiling of PES clients is one of the cornerstones of the overall PES integration strategy consisting of four steps: 1) Compiling a detailed client profile, identifying needs for action (diagnosis) 2) Defining labour market-related objectives together with the client 3) Identifying an action strategy for the achievement of the defined objectives 4) Conclusion of a mutual binding contractual integration agreement The profiling process is a structured dialogue based on a fixed catalogue of criteria with the following main components: ▪ Formal qualifications obtained ▪ Motivational aspects, e.g., willingness to take part in further education, etc. (for difficult cases, PES counsellors are supported by the PES psychological service) ▪ Identification of labour market chances based on matching client profiles with the PES job database (covering 60% of all vacancies in Germany) ▪ Identification of integration barriers (for difficult cases, PES counsellors are supported by the PES medical service) The profiling process results in a client group classification. This helps PES to deliver their subsequent services to clients efficiently. The profiling approach is linked to the following overall PES strategies: ▪ The profiling approach should contribute to the overall PES-objectives, i.e. improving counselling and integration performance, effective allocation of resources. ▪ The profiling approach should contribute to the following PES-performance indicators: unemployment spells, integration of the unemployed ▪ The profiling approach should contribute to achieving good customer satisfaction
Challenges encountered and how they were addressed	Counselling competencies of PES-counsellors had to be improved. Rapid updating of qualifications has already been carried out. New qualification concepts for PES-Counsellors are in the pipe-line. Non-formal and informal qualifications (soft skills) are not captured by the profiling process. Concepts for capturing and validating these competencies are in development. Implementation is planned for December 2009.
Results to date/current state	Profiling is an integral part of the PES action programme (c.f. service description) Every job seeking PES-client is profiled.

Effect and impact	Profiling contributes to the achievement of various overall objectives and performance indicators of PES, i.e. good customer satisfaction, short unemployment spells, fast and sustainable integration of the unemployed, etc. The share of contribution cannot be measured. According to the interviewed experts, the profiling approach contributed strongly to the overall performance improvement of the German PES
Start of implementation	2004
Reforms/amendments	No reforms to date.
Financial resources	PES budget
Lessons learnt	It is important that profiling captures strengths and weaknesses alike. A pure deficit focus is not favourable. The profiling process should result in a client group classification. This helps PES to deliver their subsequent services to clients efficiently.
Evaluation details	There are no evaluations of the profiling process available.
Links	http://www.arbeitsagentur.de/

Case 2: Funding of further education

WeGebAU	
PES	Bundesagentur für Arbeit (BA) (German Federal Office of the Public Employment Service)
Country	Germany
Contact person	Mr. Klaus Oks and Dr. Wolfgang Müller E-mail: klaus.oks@arbeitsagentur.de
Name of good practice case	WeGebAU (further qualification of low-skilled employees as well as senior employees in companies)
Type of good practice case	Funding of further education for low-skilled and senior employees in small and medium sized enterprises (SME)
Role(s) of PES – brief description	WeGebAU was developed and is implemented by BA (PES)
Relation to analytical framework	WeGebAU is an example of a PES incentive strategy for SMEs to invest more in the qualifications of their low-skilled and senior employees. Additionally, it is an example of supporting the long-term employability of labour market risk groups among employed persons.
Main goals and objectives	The WeGebAU programme has two overall intentions: ▪ To support SMEs in qualifying their employees. ▪ To offer "initial financing" to shift attitudes toward lifelong-learning, underline the importance of lifelong-learning to ensure the employability of workers and the competitiveness of companies. ▪ More specifically the WeGebAU programme aims at: ▪ Qualifying older and low-skilled employees ▪ Adapting job qualifications to current labour market needs to increase employability, prevent unemployment and foster further qualification, especially in SMEs ▪ Covering the labour market's need for qualified employees The WeGebAU programme is linked to the following overall strategies of PES: ▪ A preventive approach to dealing with upcoming lack of skilled workers and the demographic challenges in Germany ▪ Tapping the full potential of the labour force ▪ Boosting employers' investments in qualifications ▪ Increasing the understanding that life-long-learning is an important current issue ▪ Service for employers as a nationwide PES-approach
Reasons for its introduction	The introduction of WeGebAU, so far the only German PES programme supporting employees, was triggered by labour market prognoses revealing a future shortage of skilled workers. The

	concept of lifelong-learning was identified as an important approach to addressing the issue of skills shortages. The initial impulse came from the PES and was strongly supported by the German social partners.
Level of implementation	National
Main target groups	▪ Employees older than 45 years ▪ Low-skilled employees, i.e., (1) employees with no vocational education; (2) employees with vocational education holding a low-skilled job for more than four years that would make it difficult for them to get a job at their present qualification level (they are already unqualified). ▪ SMEs
Partners	At the strategic level, there has been strong support from the social partners during the starting period, especially at regional level. In the course of the implementation, PES was supported by external further qualification counsellors in introducing the programme to companies
Short description of the example	The WeGebAU programme supports SMEs in qualifying their employees. Low-skilled employees and senior employees receive qualification subsidies from PES. The services offered by PES are: ▪ Qualification counselling for companies, especially targeted introduction of the programme (service offer) ▪ Reimbursement of course/seminar/training costs for low-skilled and senior employees. The further training and education must take place outside the company. The qualification must entail more retraining aimed at the current job. The qualification should be oriented towards preserving employability and not so much towards upgrading the skills level. ▪ Subsidies for additional further education costs (e.g. childcare costs, travel expenses) ▪ With regard to non-productive time caused by taking part in qualification programmes, employers can get an additional wage subsidy of up to 100% for low-skilled workers. .
Challenges encountered and how they were addressed	Initially, PES experienced problems introducing the programme to companies. This was addressed by taking external further qualification counsellors on board to support the introduction process.
Results to date/current state	From January - August 2008, statistics showed 31,974 new entrances to the programme which is an improvement. From an overall perspective, the programme is relatively small. Less than 1% of the potential users have been reached by now. In this context, it is important to emphasise that the programme is conceptualised as an incentive to boost a specific development.
Effect and impact	No data is available on the labour market impact of the

	programme. PES is currently trying to monitor whether the programme has an impact on the duration of employment. No results are available yet.
Start of implementation	2006
Reforms/amendments	Initially, PES experienced problems with introducing the programme to companies. This problem was addressed by taking external further qualification counsellors on board to support the introduction process. There have been amendments regarding the regulation of access to the programme. The maximum size of participating companies has been increased from max. 100 to max. 250 employees. The legislation regarding specific skills-levels to be attained has been relaxed. These amendments resulted in an increase in the number of participants.
Financial resources	PES budget. The cost of the programme is € 200m/year
Lessons learnt	▪ Programmes such as WeGebAU need time to take off. ▪ Tight restrictions with regard to access are not conductive for such programmes. ▪ It is very important to get the employers onboard. Counselling offers for employers are a cornerstone of the programme. ▪ Windfall gains cannot be avoided. The “support-indicator” should be enhanced employability of the worker.
Evaluation details	PES plans to interview participating companies with regard to effects for the companies.
Links	http://www.arbeitsagentur.de/

Case 3: Cooperation Agreement

Cooperation Agreement between BA and Temporary Work Agencies	
PES	Bundesagentur für Arbeit (BA) (German Federal Office of the Public Employment Service)
Country	Germany
Contact person	Dr. Wolfgang Müller and Dr. Markus Schmitz E-mail: Wolfgang.Mueller6@arbeitsagentur.de
Name of good practice case	Cooperation Agreement between BA and Temporary Work Agencies
Type of good practice case	Cooperation Agreement between BA and important labour market actors
Role(s) of PES – brief description	PES: Development, coordination and monitoring of implementation of the cooperation agreement
Relation to analytical framework	The Cooperation Agreement between BA and Temporary Work Agencies is an example of a strategic partnership between important labour market actors. The agreement is linked to the following overall strategies of PES: ▪ Private actors/temporary work agencies/educational institutions ▪ Public-private cooperation on service delivery
Main goals and objectives	The overall objective of this cooperation agreement is to exploit the employment opportunities offered by temporary work. Following this objective, the Bundesagentur für Arbeit (BA) aims to improve its cooperation with the temporary work agencies in Germany. The BA/PES aims to make agreements with as many agencies as possible. The cooperation agreement is linked to the following overall strategies of BA: ▪ Temporary work is seen as a stepping stone to the first labour market ▪ The BA aims at setting specific impulse at the labour market ▪ The agreement with temporary work agencies is part of the overall service for companies
Reasons for its introduction	The cooperation agreement was introduced due to earlier inefficient practices of cooperation between PES and temporary work agencies. The temporary work sector offers a huge employment potential, also for labour market risk groups. However, the way temporary work agencies used to cooperate with PES was unfavourable for PES agencies as well as PES clients. By pooling job candidate requests to PES, temporary work agencies tried to maximize their job candidate files to be able to react to job requests in a flexible manner. This approach led to

	huge workloads at regional PES agencies as well as frustration for the PES clients, as very often candidate requests to PES were not followed by real job offers by the temporary work agencies.
Level of implementation	National
Main target groups	Temporary work agencies and unemployed.
Partners	Temporary work agencies
Short description of the example	The basic underpinning of this improvement is a mutual binding agreement between temporary work agencies and BA. This agreement ensures that temporary work agencies in their capacity as employers are guaranteed specifically defined services by PES (fast response time, etc.). In return, temporary work agencies commit themselves to sticking to agreed principles of cooperation (report only real job offers, etc). Regional PES (AA) makes agreements with regional small and mediums sized temporary work agencies based on a standard-agreement. An agreement is negotiated at central level for the 15 biggest nationwide operating temporary work agencies. For this purpose. a coordinating agency has been set up at employment services headquarters (Zentralstelle für Arbeitsvermittlung) in Bonn. The cooperation also includes a contact person on both sides and regulation information exchange in established monitoring groups.
Challenges encountered and how they were addressed	No big challenges. Minor challenges could be dealt with by the coordinating agency.
Results to date/current state	A nationwide agreement could achieve: ▪ All big temporary work agencies take part ▪ Two thirds of all temporary work agencies have entered into an agreement. ▪ The efficiency of cooperation has increased ▪ Reservations of PES brokers towards cooperating with temporary work agencies have been reduced.
Effect and impact	▪ A positive feedback has been reported by PES management ▪ Cooperation efficiency of has increased ▪ Reservations of PES brokers towards cooperating with temporary work agencies have been reduced.
Start of implementation	2006
Reforms/amendments	None
Financial resources	BA budget. The overall estimated cost of the agreement is €250,000/year

Lessons learnt	A strategic partnership is a good approach for reaching process agreements between important labour market actors. With regard to the process, the following steps (instruments) should be taken into account: ▪ Identification of problems ▪ Mutual binding (service)agreements ▪ Establishment of a coordinating agency ▪ Implementation monitoring ▪ Impact monitoring
Evaluation details	No formal evaluations
Links	http://www.arbeitsagentur.de/

Case 4: Job-to-job placement

Early job placement intervention	
PES	Bundesagentur für Arbeit (BA) (Federal office of the public employment service)
Country	Germany
Contact person	Dr. Wolfgang Müller and Dr. Markus Schmitz, BA E-mail: Wolfgang.Mueller6@arbeitsagentur.de
Name of good practice case	Job-to-job placement
Type of good practice case	Early (earliest possible) job placement intervention
Role(s) of PES – brief description	The job-to-job programme is planned, financed, and implemented by PES
Relation to analytical framework	The job-to-job programme is an example of an earliest possible job placement intervention to prevent unemployment before it actually occurs. This good practice case refers to early intervention by flexible and individualised service delivery. The job-to-job programme also contributes to timely job transitions.
Main goals and objectives	The job-to-job programme aims at speeding up the labour market integration process for jobseekers to reduce unemployment spells and benefit payments to a minimum or, ideally, to prevent unemployment all together. Supported by early BA (PES) intervention activities, jobseekers should preferably switch directly from employment to employment instead of becoming unemployed before finding a new job. The job-to-job programme is linked to the following overall PES strategies: ▪ Improving the counselling and integration performance ▪ Reduce unemployment spells and increase integration of the unemployed
Reasons for its introduction	The main reasons for implementing the programme were growing labour market pressure and the corresponding political debate.
Level of implementation	National
Main target groups	Unemployed people
Partners	No partners at this stage.
Short description of the example	Integration monitoring shows that the chances of labour market reintegration decrease along with the duration of unemployment. Therefore PES tries to intervene as early as possible. Potential unemployed people should be activated immediately after being informed about being made redundant.

	In the near future unemployed (beneficiaries) must register with PES as early as possible. They have to register with PES at least 3 months before the cessation of employment or not later than three days after being given notice, if the period between being given notice and the termination of employment is shorter than 3 months. Non-registration or delayed registration may result in temporary suspension of benefits or benefit cuts. The period between termination (dismissal) and potential unemployment is defined as “action period”. During this period, PES will support jobseekers in finding a new job. PES will offer early intervention services such as computer-based self-help services, information on the current labour market situation and talks with job brokers. Immediately after notifying PES, the client gets a “working package” from PES to enable him or her to deal with the new unemployment situation in a structured way. The results of the tasks set out in the working package (e.g., strengths and weaknesses analysis) are forwarded to PES, serving as basis for the first counselling meeting. The first counselling meeting takes place within 10 days after notification. The innovative dimensions of the job-to-job programme are: ▪ PES intervention as early as possible, even before the client has left his last job ▪ Offering of additional access channels to PES during the “action period”: Counselling dates beyond office times, notification by telephone, etc.
Challenges encountered and how they were addressed	▪ It is difficult to motivate people to search for jobs while they are still employed ▪ Job-to-job clients have fewer obligations than normal PES clients do. Missing job search activities is not an offence and cannot be punished by PES and this potentially reduces the clients' willingness to cooperate closely. PES would like to have a regulation amendment, providing PES with more possibilities for sanctioning job-to-job clients.
Results to date/current state	Every new PES client is obliged to participate in the job-to-job programme. The proportion of successful job-to-job transitions is rather low and has not changed much in the last two years. In July 2006 5.43% of potential job-to-job transitions where successful, in July 2008 this figure amounted to 5.52%.
Effect and impact	According to BA/PES the impact of job-to-job is most clearly visible in the overall decrease of unemployment spells. (Successful PES notified job-to-job transitions are counted in the unemployment spells statistics of PES with zero days.) In September 2005, the average unemployment spell was 196 days; in August 2008, the average unemployment spell was 132 days. According to the experts, the job-to-job programme contributes strongly to this positive development.

Start of implementation	2001/2002
Reforms/amendments	There have been small amendments aiming at more efficiency and a more customer friendly service. Examples are notification by telephone and change in notification regulation
Financial resources	PES budget. About 1,000 to 1,500 PES-officers are devoted to this programme.
Lessons learnt	▪ The job-to-job programme is a successful approach of early (preventive) intervention ▪ With regard to implementation, flexible (e.g. ICT-based) channels of access to PES and early, qualitatively high ranking counselling offers are important ▪ At PES level, it is important that the programme is clearly linked to overall PES objectives and performance indicators
Evaluation details	There is no specific job-to-job impact evaluation available. Customer surveys with PES clients do not ask job-to-job programme related questions.
Links	http://www.arbeitsagentur.de/

Case 5: Employment-oriented case management

Employment-oriented case management	
PES	Bundesagentur für Arbeit (BA) (Federal Office of the German Public Employment Service)
Country	Germany
Contact person	Anette Kleffner-Zimmermann and Dr. Wolfgang Müller, BA Wolfgang.Mueller6@arbeitsagentur.de
Name of good practice case	Employment-oriented case management (in close cooperation with municipalities)
Type of good practice case	Ensuring that both employment services and social welfare deliver services with a work-first approach.
Role(s) of PES – brief description	Employment-oriented case management is implemented by a consortium (mixed agency) consisting of members of BA/PES and municipalities. The consortium decides about responsibilities and processes.
Relation to analytical framework	Employment-oriented case management is an example of how PES can address special labour market risk groups in close cooperation with other important actors in the field. The cooperation with municipalities includes a decentralisation of responsibility. The practice supports employability and lifelong learning, balances extensive support with a self-help strategy and provides flexible and individualised service delivery.
Main goals and objectives	The implementation of the case management programme is on of the results of the merger between social welfare and unemployment assistance (SGBII). The case management programme is an approach for special labour market risk groups and the objectives are: ▪ Bringing the target group closer to the labour market ▪ Reducing the support needs of the target group ▪ Sustainable labour market integration ▪ Offering comprehensive support, combining social benefits with active labour market policy services ▪ Close cooperation with communities to offer comprehensive and streamlined support
Reasons for its introduction	▪ Growing social problems in Germany were addressed, among others by trying to better activate social welfare recipients. ▪ Before merging social welfare and unemployment assistance (SGBII), social welfare clients had no access to active labour market policy (ALMP) services. ▪ As a result of this merger, PES has to deal with a new client group, featuring special labour market risks. The case management approach is a direct response to this development.
Level of implementation	National

Main target groups	Special labour market risk groups. Identified by PES profiling processes. Often long-term unemployed (more than one year).
Partners	Case management is implemented by a consortium consisting of members of PES and municipalities (mixed agency). In the course of eliminating integration barriers, network partners such as debts counsellors, drug addict counsellors, training institutions, etc., are integrated in the implementation process.
Short description of the example	Case management is implemented by a consortium consisting of members of PES and municipalities (mixed agency). The consortium decides about responsibilities and processes. Process of case management: ▪ PES select clients with multiple labour market risks ▪ The client is assigned to a case manager (e.g. 75 clients per case manager in the Nuremberg Region) ▪ Identification of individual problems (assessment) ▪ Conclusion of a working pact (contract) on services and obligations Case management includes joint planning of an integration path with the objective of integration into the labour market with an open-ended or temporary contract. The specific action includes the elimination of personal integration barriers in cooperation with network partners (e.g., debts counsellors, drug addict counsellors, training institutions). This cooperation is characterised by mutual binding cooperation agreements, regulating the structure of cooperation. All active labour market policy instruments offered by PES (more than 70 instruments) can be applied in the process. The case manager has a core function in this process. He is responsible for steering the process towards labour market integration. Furthermore, he serves as the regular contact person for the client during the process of several integration steps/measures. The case manager can be, but does not have to be a PES officer.
Challenges encountered and how they were addressed	There is uncertainty as to how to define case management. What is it exactly and how to define the target group. This challenge was addressed by qualification measures for case managers as well as by public relation measures (e. g. three expert conferences on case management).
Results to date/current state	▪ The number of case management offers is increasing. ▪ No available separate data on case management clients.
Effect and impact	According to the BA/PES the programme shows positive integration effects. Labour market integration monitoring shows less good integration results compared to client groups closer to the labour market. A comparative analysis between risk groups taking part in the programme and comparable risk groups not

	taking part does not exist.
Start of implementation	2005
Reforms/amendments	▪ Certified qualifications for case managers have been introduced. ▪ They plan to refine the concept next year.
Financial resources	Mixed financing with contributions from the federal level and the municipalities
Lessons learnt	▪ The case management approach needs a clear definition ▪ Integration of the approach in the overall PES strategy is important ▪ Case managers should be upskilled/trained early ▪ Case managers should have a high degree of autonomy ▪ Cooperation partners should have a high degree of autonomy
Evaluation details	A definition of criteria for success followed by an evaluation process is planned for 2009.
Links	http://www.arbeitsagentur.de/

Italy

Case 6: PES and outplacement projects

PES and outplacement projects	
PES	Vocational Training Department, Province of Parma
Country	Italy
Contact person	Gabriele Marzano, Director PES/Vocational Department, Province Parma, e-mail: g.marzano@provincia.parma.it
Name of good practice case	PES and outplacement project “A new model to face industrial crises in the Province of Parma”
Type of good practice case	Supporting job-to-job transitions
Role(s) of PES – brief description	PES screens, facilitates and monitors the project.
Relation to analytical framework	Supporting job-to-job transitions
Main goals and objectives	▪ Monitoring and forecasting industrial crises ▪ Supervising services for laid-off workers ▪ Integrating public with private employment services ▪ Promoting the social responsibility of local enterprises ▪ Promoting genuine social dialogue
Reasons for its introduction	▪ Preventing the negative impacts of industrial crises ▪ Activating laid off workers throughout welfare-to-work measures ▪ Promoting social responsibility among local enterprises ▪ Increasing efficiency of employment policies ▪ Coordinating private with public employment agencies.
Level of implementation	Local level: Province of Parma
Main target groups	Laid off workers
Partners	Introduction of an Inter-institutional Board composed by public entities (province, municipalities, regional administration) and private parties (trade unions, employee associations).
Short description of the example	Phase 1: PES Analysis The Inter-institutional Board makes PES operators in charge for a first screening of the situation: ▪ Collective meeting with workers in PES centres or at the enterprises; ▪ Individual interviews concerning qualifications and attitudes; ▪ Meeting with the Inter-institutional Board for reporting on the employability of laid-off groups.

	Deadline phase 1: at the latest 1-2 weeks after the collective lay-offs. <u>Phase 2: PES Active Intervention</u> During the second phase, the Inter-institutional Board holds the PES operators accountable for a set of services such as: ▪ individual vocational guidance; ▪ support for individual job searching techniques and CV design; ▪ information on job vacancies; ▪ promotion of CV to targeted enterprises. Deadline phase 2: 2 week after the collective lay-offs. <u>Phase 3: Private intervention</u> After two weeks, the PES operators report results of the first interventions to the Inter-institutional Board. A set of further and new services is defined for workers that are still unemployed: New services, provided by a private entity, include: ▪ vocational training courses; ▪ short experiences (internships) within new enterprises; ▪ promotion and outplacement services among local enterprises. These new services are entrusted to a pool consisting of a private vocational training centre and an outplacement agency. The local private employment services have to comply with particular conditions: ▪ Just-in-time - always ready to be provided whenever PES operators ask them to intervene on individual caseloads. ▪ Tailor-made - variable and consistent with the individual needs of laid-off workers. ▪ Regulation by PES "tutors" - tutors responsible for the referral of jobseekers to private employment services and the identification of the specific services to provide. ▪ Paid by results - outplacement service is only fully reimbursed if clients accept jobs with permanent contracts or fixed-term contracts for at least 8 months; otherwise, service is reimbursed only 35%.
Challenges encountered and how they were addressed	Not available.
Results to date/current state	<u>Some 2007results</u>

Firm	Number of lay offs	Persons PES is in charge of	Persons PRES is in charge of	Employed 6 months later
Star spa	62	48	1	40
For lady	41	34	10	24
Diesse srl	10	10	6	2
Gambro	10	10	7	6
Medel	17	70	0	7
Total year 2007	140	109	24	79
% of total layoffs		78%	17%	56% (76% of persons in charge)

Effect and impact	The main effect has been the reduction of job-to-job transition periods. Furthermore, a improved knowledge among private enterprises has been disseminated concerning private and public services for re-employment of laid-off workers.
Start of implementation	2nd quarter 2006
Reforms/amendments	No amendments yet but the following developments are expected: • Extension to new users: In the current year with a new public procurement, private employment services have been extended to include long-term unemployed of local PRES. • Economic integration: The new global service includes vocational training courses funded by “inter-vocational funds for workers’ ‘training’”.
Financial resources	Private intervention (Phase 3) is outsourced through an earlier public procurement procedure and is co-funded by the European Social Fund (150,000 € a year). The current extension of the project includes the integration of external resources (from the Inter-vocational Funds) of approx. 30,000 €.
Lessons learnt	Strengths of the model: • Private intervention is concentrated around on hard-to-place workers (“no creaming”). • Services can be tailor-made to different needs of clients already served by PES operators. • Private intervention is remunerated only for clients that succeed in finding real new jobs (“no gaming”). • The provision of the intervention takes only two weeks after PES operators ask the private provider to start. • Enterprises, public institutions, social partners learn to work better together when intervening in real cases (e.g. industrial crises), developing new policy models.
Evaluation details	The practice, its management and user results have been monitored
Links	www.lavoro.parma.it

Case 7: PES and universities

Employment services provided by private employment agencies and universities	
PES	Ministero del Lavoro
Country	Italy
Contact person	Manuel Marocco, ISFOL (Institute for the Development of Vocational Training), E-mail: m.marocco@isfol.it and Anastasia Giuffrida, Ministero del Lavoro (Ministry of Labour), E-mail: Agiuffrida@lavoro.gov.it
Name of good practice case	Act no. 30/2003: private employment agencies and universities that provide employment services in Italy.
Type of good practice case	Employment services provided by private employment agencies and universities.
Role(s) of PES – brief description	To facilitate that universities can contribute to more transparent labour markets and help students get internships and placements.
Relation to analytical framework	Facilitating cooperation with other and specialised service providers - in this case, universities provide placement services.
Main goals and objectives of the good practice	Creating a competitive market for the employment services and encouraging the public employment services to become more efficient and creating networks with private organisations.
Reasons for its introduction	The national government wanted to enhance the flexibility and security in the labour market. With the introduction of the new law in 2003 the Italian government introduced new forms of temporary contracts and liberalized employment services. The aim was to support private and public interaction.
Level of implementation	National, regional and local.
Main target groups	Open to all jobseekers. In practice universities mainly provide employment service to students
Partners	Universities, regions, municipalities, trade unions, PRES, education and training institutions
Short description of the example	As a part of the 2003 Biagi reform universities and other agencies where granted the opportunity to serve as providers of employment services. Other services providers have to be authorised by the Italian Ministry of Labour or by the regions (However, TWAs can only operate under the authorisation of the Italian Ministry of Labour). This licensing system is particularly used by temporary work agencies but also universities, schools and municipalities have been included. The criteria for new actors are less strict. Universities, for example, do not need authorisation to provide employment services, but must provide their services free of charge and be connected to 'Borsa Nazionale del Lavoro', BCNL - an internet portal managed

	by the regions and the Italian Ministry of Labour to facilitate matching on the labour market. For universities the role as provider of employment services can be: ▪ Collection of CV ▪ Organizing internships ▪ Finding vacancies for graduating students ▪ Matching vacancies to CV profiles -> placements
Results to date/current state	Results for universities providing employment services, first semester 2006: {table} The initiative has also resulted in dedicated staff at the universities.
Effect and impact	The policy should be considered in the context of a deep reform of the labour market. The *ratio legis* was to "transform" informal job search channels into formal job search channels (ie. Provided by universities). From this point of view the policy is meeting its goal. More specific impact evaluations are not available though.
Start of implementation	2003, but many universities organised placement activities informally even before being recognised by Act no. 30/2003.
Reforms/amendments	No
Financial resources	Projects are financed at regional and local level
Lessons learnt	Not available.
Evaluation details	ISFOL has conducted a study on the number of university placements (results displayed above).
Links	www.isfol.it www.lavoro.gov.it

	Total	Public universities	Private universities
CV's collected	20,603	17,701	2,902
Internships organized	13,921	10,275	3,646
Vacancies	5,078	2,558	2,520
Placements	1,021	221	800

Additional literature

Di Domenico G., M. Marocco (2004), L'istituzionalizzazione del ruolo delle Università e dei Consulenti del lavoro quali intermediari (Universities and Work Consultants as Formal Job Search Channels), Monografie del mercato del lavoro e delle politiche per l'impiego, n° 4, 2007, www.isfol.it

Case 8: Laborlab

PES and PRES, system relationship between public and private services	
PES	Region of Lombardy
Country	Italy
Contact person	Giampaolo Montaletti Agenzia Regionale Istruzione Formazione Lavoro, Regione Lombardia, E-mail: Giampaolo.montaletti@arifl.it And Anastasia Giuffrida, Ministero del Lavoro (Ministry of Labour) E-mail: Agiuffrida@lavoro.gov.it
Name of good practice case	Laborlab
Type of good practice case	Implementation of active policies developed by the network of employment service through the distribution of 'Dowry-jobs', a regional programme for the valorisation of human capital.
Role(s) of PES – brief description	To provide technical assistance to the project and conduct the final evaluation.
Relation to analytical framework	The project contributes to more inclusive labour markets by exploiting human capital of unemployed. The network of services enhances public-private cooperation on service delivery.
Main goals and objectives of the good practice	Laborlab project areas of application and aims ▪ To develop and increase quality of the network: Laborlab Alfa. ▪ Provision of services + 'Dowry job' (Laborlab Beta: workers at risk of social exclusion; Laborlab Gamma: atypical workers)
Reasons for its introduction	The 2003 "The Biagi reform"(l. 30/2003; D.lgs. 276/2003) which: ▪ introduced new forms of temporary contracts ▪ liberalised employment services, supporting private and public interaction ▪ 'authorization' system ▪ introduced the "Borsalavoro" online system, a national eGov service providing information and services concerning employment, education and training and where to post CVs and vacancies
Level of implementation (local, regional, national)	Regional
Main target groups	Laborlab Alpha 60 young people/graduates of Italian nationality, employed or looking for a job, having a strong interest in labour market polices. Laborlab Beta Jobseekers who run the risk of social exclusion (women and workers over 40 excluded from the labour market (1,080 benefit recipients), Laborlab Gamma Atypical workers (young people with no permanent job contract (1,200 benefit recipients).

Partners	Lombardy Region - Directorate-General for Education, Training and Employment is responsible for the programme. Three partners manage the project: 1. Regional Agency for Education, Training and Employment (ARIFL): responsible for the management of LaborLab Beta and Gamma; 2. Regional Institute for Education and Training (IRER): responsible for the management of LaborLab Alpha; 3. Italia Lavoro (National Agency for Employment): in charge of the technical assistance and final evaluation of the Programme.
Short description of the example	<u>Laborlab</u> Pilot initiative involving implementation of active policies developed by the network of public and private employment services through the distribution of the 'Dowry-job': 1) identifying target group 2) starting specific programmes based on 3) 'Dowry-job' <u>'Dowry job'.</u> The number of resources belonging to a person and to be spent on authorized services for the reintegration into the labour market. 1. Development of customized action plan (500€) 2. Individual or class training/internships and traineeships (up to 4,000€) 3. Integration in the labour market (job contract)/Entrepreneurship (2,500€) The PES' market share of performing services on the base of a 'Dowry job' is low, only 10%. <u>Services agreement and customised action plan</u> Task agreements between the partners, the tailored services aiming at the integration into the labour market of those workers holding a 'Dowry-job. The individual action plan is defined by the public employment service or by the private employment agency. The services include guidance, supporting counselling, balance of professional competence, balance of expertise and attitudes, guidance and support for an active job hunt, individual or class training, traineeships/internships, tutoring, vocational training at work, job search, scouting, and adaptability of competencies at work. *LabourLab Alpha*: higher training school for the labour market operators: ▪ higher training (training path addressing 60 graduates of Italian nationality, employed or looking for a job, having a strong interest in labour market polices). -> New careers supporting the Italian reform of the labour market; ▪ Lifelong learning (implementation of the network of private and public operators in the labour market, qualification of competencies through the involvement of local networks of training operators, distribution of voucher -> Creation of qualified private/public networks and of permanent profession communities.

<table>
<tr><td></td><td>
<u>Laborlab Beta</u>
Target group that runs the risk of social exclusion

<u>Laborlab Gamma</u>
Atypical workers

Contribution to the participators of to the programme: service voucher (€ 1,000), ‘Dowry balance’: € 500 pre-financing; final balance at the end of the path.

<table>
<tr><td colspan="4">Economic value</td></tr>
<tr><td>Services</td><td>Values target group that runs risk of social exclusion (in €)</td><td>Values target group Atypical workers (in €)</td><td rowspan="5">To the operator</td></tr>
<tr><td>Individual action plan</td><td>500</td><td>500</td></tr>
<tr><td>Training</td><td>Max 4,000</td><td>Max 3,000</td></tr>
<tr><td>Employment</td><td>2,500</td><td>1,500</td></tr>
<tr><td>Total</td><td>7000</td><td>5,000</td></tr>
<tr><td>Contribution for participation to the programme</td><td>1,500</td><td>1,000</td><td>Directly to the person</td></tr>
<tr><td>Total</td><td>8,500</td><td>6,000</td><td></td></tr>
</table>
</td></tr>
<tr><td>Challenges encountered and how they were addressed</td><td>Making people understand their rights in being titular of a ‘dowry job’ and in being free to decide how and where to spend it. The challenge was addressed by an information campaign and a dedicated call centre. Another challenge was the launch of the accreditation system for public and private operators, and this was addressed with an information campaign and thematic meetings all over the region. Finally, it was a challenge to promote the innovation both inside and outside the regional organisation. This was addressed by training and working in teams.</td></tr>
<tr><td>Results to date/current state</td><td>
Figures 13/9/2008
<u>Target group “risk of social exclusion: 1.080 dowry jobs</u>
▪ Individual action plans: 1.080
▪ 90% women
▪ Closed with a contract/job: 239, of which 125 closed with a contract > 12 months.

<u>Target group atypical workers: 1.200 dowry jobs</u>
▪ Individual Action Plans: 429
▪ Closed with a contract/job: 74, of which 51 closed with a contract > 12 months.
</td></tr>
<tr><td>Effect and impact</td><td>The main project’s effect on the system concerns the launch of the network of accredited public and private services and the use of new instruments (dowry job; the customized action plan). The evaluation of the project is planned for June 2009 (and of the project).</td></tr>
<tr><td>Start of implementation</td><td>November 2006: start of pilot Labourlab</td></tr>
<tr><td>Reforms/amendments</td><td>No</td></tr>
</table>

Financial resources	Labourlab pilot was funded by the Italian Ministry of Labour. In the near future other financial resources must be found: Regional Action plan (Piano di Azione Regionale), Public funding, ESF.
Lessons learnt	▪ Jobseekers are happy and confident with a personal budget ▪ The Lombardy Region noticed that jobseekers are more active and the region is satisfied with the results ▪ The pilot shows that private actors can be involved in providing employment services. ▪ An informal network was realised ▪ Making policies requires time
Evaluation details	The pilot has not been evaluated yet.
Links	www.laborlab.it www.formalavoro.regione.lombardia.it www.borsalavorolombardia.net

Poland

Case 9: Investment in lack of qualifications

Investment in lack of qualifications	
PES	Labour Market Department, Ministry of Labour and Social Policy
Country	Poland
Contact person	Alicja Wasilewska, Henryk Rogala, Artur Rozbicki, Seweryn Suwala, Agnieszka Zdak, Labour Market Department, Ministry of Labour and Social Policy. Wanda Adach, Maciej Batkiewicz, Urszula Murawska, Local Labour Office, Warshaw
Name of good practice case	The “Investment in deficit qualifications on the labour market (IKD)” Programme
Type of good practice case	Development of skills and employability
Role(s) of PES – brief description	The local labour offices implement the initiatives to develop lack of qualifications on the local labour market, which are financed by the Polish Labour Fund.
Relation to analytical framework	The employment services concern development of skills and employability mainly targeting the unemployed.
Main goals and objectives	This programme is a response to the increasingly severe phenomenon of the mismatch between professional qualifications and requirements of the labour market as well as the shortage of skilled personnel. The objective of the programme was to raise professional qualifications in ‘deficit professions’ (i.e. professions in short supply) and enhance the employability of the participants in the programme. At the same time, the programme addresses serious problems with obtaining or maintaining employment by the unemployed who are in a particularly difficult situation on the labour market, including the young unemployed.
Reasons for its introduction	There is a mismatch of professional qualifications to the requirements of national, regional or local labour market concerning specific areas in the Polish labour market and an increasing shortage of qualified personnel. At the same time there are serious problems getting or maintaining employment for the unemployed. The mismatch between qualifications and the requirements of the national, regional or local labour market translates directly into the level of the unemployment rate. The mismatch between the professional structure of the unemployed and the employers’ needs results in the situation where increasing economic growth and a growing number of job offers are still insufficient to absorb the majority of the registered unemployed.
Level of implementation	The local labour offices implement the initiatives which are

	financed by the Polish Labour Fund. The local labour office surveys the local qualification needs and submits a request for project funding by a local district. The project is evaluated by the county (regional level), which ranks a list of projects to the Ministry of Labour and Social Policy which allocates resources for projects.
Main target groups	The main target groups of the activities are persons who have considerable difficulty in finding work, i.e. unemployed people: ▪ Up to 25 years of age ▪ The long-term unemployed ▪ More than 50 years of age ▪ Without professional qualifications ▪ With disabilities.
Partners	The local labour office implements the project funded by the Polish Labour Fund. The activities may involve cooperation with training institutions which are selected in tender procedures.
Short description of the example	The local labour office surveys the qualification needs of the local labour market and submits request for funding activities. The program allow for the financing of various forms of activities such as: ▪ vocational and general issues, including the skills to seek employment ▪ training and after-service training programs or vocational training in the workplace ▪ helping to make a business or create jobs, combined with training of the unemployed, ▪ financing the cost of exams to obtain certificates, diplomas, certificates, authority or professional titles and the costs of obtaining professional licenses, ▪ Continue learning at the next level of education. It is also possible to finance the costs of medical and psychological tests, if they are required in connection with referral to training, internships, or vocational training in the workplace.
Challenges encountered and how they were addressed	The main challenge is to motivate the target groups of unemployed people for activation.The key points in policy focus is: ▪ to increase the employment ratio of the unemployed aged 55-64 to 40 % in 2013 ▪ the provision of training services of better quality to respond to the increased requirements of the unemployed and job-seekers as well as employers.
Results to date/current state	There has been a high level of interest and participation from the labour districts (the local level), which submit requests for funding. On average, 80% of all local labour offices have applied and received funding for projects. The utilization rate of the allocated resources has been very high, ranging from 86-98%. This is a high level as the local labour offices that apply for funding were required to estimate the local need for specific activities in terms of number and characteristics of participants, types of activities and labour market instruments as well as total demand of resources. As unexpected changes may

	occur on the local labour market such estimates usually need to be adapted.
Effect and impact	The IKD programme, investment in lack of qualifications, is currently being evaluated. Preliminary results indicate that the project so far has achieved high participation and is reaching its target groups: ▪ Until now, 20,750 people have participated in activities funded by the programme. ▪ 70% of all participants have participated in courses/training programmes for professions or lack of qualifications ▪ 11% were directed to internships ▪ 8% participated in vocational preparation/on the job training ▪ 12% were helped to start up a business ▪ Most of the participants (52%) were men, which was a little surprising as women have a higher share of the unemployment, especially the disadvantaged, than men. The explanation is probably that the lack of qualifications mainly represents sectors dominated by male employment.
Start of implementation	July - December 2007
Reforms/amendments	The programme itself has not been changed. However, since the project had 64% employment effectiveness compared to 57.7% of former labour market programmes, the government is considering initiating more programmes in the same vein.
Financial resources	National resources from the Polish Labour Fund.
Lessons learnt	The decentralised estimation of lack of qualifications, activities and participants is essential for satisfactory adaptation to local labour market needs. This estimation is quite detailed and the application specifies key elements such as: ▪ objectives, a justification of the project and a description of planned activities (form of activity and labour market instruments), ▪ characteristics of participants in the project (quantitative and qualitative) ▪ the effects ▪ total demand for resources ▪ unit costs ▪ effectiveness of the project, taking into account the effects on employment The central review of funding applications ensures that funded resources are allocated in accordance with programme goals and in a cost-effective way.
Evaluation details	The evaluation is a quantitative and qualitative evaluation based on surveys and statistics.
Links	Not available.

Case 10: Internships and vocational preparation

Internship and vocational preparation in the workplace	
PES	Labour Market Department, Ministry of Labour and Social Policy
Country:	Poland
Contact person	Wieslawa Majak, Alicja Wasilewska, Henryk Rogala, Artur Rozbicki, Seweryn Suwala, Agnieszka Zdak, Labour Market Department, Ministry of Labour and Social Policy. Wanda Adach, Maciej Batkiewicz, Urszula Murawska, Local Labour Office, Warshaw
Name of good practice case	Internship and vocational preparation in the workplace
Type of good practice case	*Internship* and *vocational preparation at the workplace* is active labour market services for young unemployed and other vulnerable groups of the unemployed, who gain practical skills and experience important for entering the labour market in a flexible way.
Role(s) of PES – brief description	The local labour office contacts employers and makes agreement with them on *internships* and/or participants of *vocational preparation at the workplaces*. The *internships* and *vocational preparation* follow a programme developed in cooperation between the local labour office and the employer.
Relation to analytical framework	The employment services of the case involve unemployed people and employers. Unemployed people gain practical skills and experience important for entering the labour market in a flexible way. At the same time the services may to some extent solve the recruitment needs of employers. Employers who participate in the scheme do not pay wages to the unemployed person, who receives benefits during the internships or vocational preparation.
Main goals and objectives	The main purpose of *internship* is to provide young people with practical skills and experience important for entering the labour market. The duration of an internship is 3-12 months. *Vocational preparation* is a similar instrument but it has been prepared for other vulnerable groups of the unemployed. The duration of vocational preparation is 3-6 months (See below). The main purpose of the services is to enable persons in a difficult labour market situation to obtain or upgrade skills, which is often a prerequisite for the possibility of obtaining work. The purpose is also to overcome negative attitudes and to prevent marginalization.
Reasons for its introduction	The major challenges are that 55% of the unemployed are long-term unemployed and that the unemployment rate among young people is about 21% which is more than twice higher than the average – 8,9% (according to data from the end of September 2008). The barrier for young people to enter the labour market is often a scarcity of specialized skills and lack of practical experience.
Level of implementation	The local PES offices implement the services.
Main target groups	The target group for *internships* is young unemployed up to the age of 25 or up to 27 in case she or he obtained a university degree within the last 12 months. The target group of *vocational preparation at the workplace* include other

	vulnerable groups of the unemployed such as - unemployed aged over 50 -long-term unemployed or women who did not resume employment after giving birth to a child -unemployed single parents of at least one child of up to 18 years of age -unemployed who did not resume employment after serving the penalty of deprivation of liberty -disabled unemployed. Subsidised works are a form of activation helping the unemployed to enter or resume the labour market through gaining professional experience and new professional skills at the employing establishment.
Partners	1) PES (The local employment office) and 2) employers who make an agreement on *internships* and/or *vocational preparation at workplace*.
Short description of the example	*The local employment office makes agreements with employers to provide unemployed* with practical skills and experience to enter the labour market. The tools offered for such agreements are: • Internships • Vocational preparation *Internship.* The local employment office and the employer make an agreement on an *internship*. In the agreement the employer takes responsibility for providing the participant with practical experience and develop his or her skills. During the *internship* the participant is coached by an experienced employee. The duration of an *internship* is 3-12 months depending on the programme offered by employer, unemployed needs and limit of financial resources planned by local labour office on this kind of activation form. An *internship* does not develop formal, certified qualifications. However, at the end participant receives an opinion from employer including information on task performed and skills developed. He/she receives also a certificate with information about completion of internship from local labour office. Frequently employer gets a job for the best participant after the end of the internship (it is no required by law). The unemployed have the right to receive 140% of the unemployment benefit (monthly) during the *internship.* Hence the unemployed have no wage costs during the internship. On the other hand, the employer has to create a job and employ the participant after the *internship*. *Vocational preparation at the workplace* This service works in a similar way, but with a shorter duration of 3-6 months. The unemployed have the right to receive 140% of the unemployment benefit (monthly) during the *vocational preparation*.
Challenges encountered and how they were addressed	No significant challenges have been experienced as regards *internship*. *Internship* for youth in an increasingly popular instrument of vocational activation. In 2007, 164 000 people participated in a placement which is 6% higher than in 2006. It should be emphasised that 40% of the eligible target group (young unemployed until the age of 25 years or 27 years after having finished studies) were directed to this activation form by the local labour office. More challenges have been experienced as to the take-up of vocational preparation. In 2007 more than 60 000 people participated in *vocational preparation at the workplace*, which is less than 3% of the total group of unemployed.

<table>
<tr><td></td><td>Hence the main challenge is to motivate the disadvantages group of unemployed for activation. With a view to the future this may require that the internships and vocational preparation becomes more attractive than inactivity.</td></tr>
<tr><td>Results to date/current state</td><td>Participants in placement and vocational preparation in 2005-2007

<table><tr><td>Form of activation</td><td>2005</td><td>2006</td><td>2007</td></tr><tr><td>Internships completed</td><td>135 427</td><td>154 733</td><td>164 573</td></tr><tr><td>Vocational preparation, completed</td><td>48 576</td><td>59 129</td><td>61 022</td></tr></table></td></tr>
<tr><td>Effect and impact</td><td>The rate of effectiveness 3 months after completed an internship or vocational preparation is 48% for both forms. Internships and vocational preparation mostly were offered within the following sectors:
▪ Secretary and office job
▪ Sales marketing and trade
▪ Accounting and banking</td></tr>
<tr><td>Start of implementation</td><td>2005</td></tr>
<tr><td>Reforms/amendments</td><td>In 2008, some major amendments were decided. Implementation is planned in 2009: internships will be addressed to youth and disadvantaged unemployed, organized according the recent rules, and new instrument: “vocational preparation of adults” will combine on the job training for unemployed with certification of acquired skills.</td></tr>
<tr><td>Financial resources</td><td>The financial resources consist of a combination of the Polish Labour Fund and the European Social Fund.</td></tr>
<tr><td>Lessons learnt</td><td>Overall, the tools represent an attempt to move the unemployed from an inactive, passive status into being active and develop competencies.

The main challenge is to motivate the unemployed for activation. With a view to the future, this may require that the internships and vocational preparation become more attractive than inactivity.

Another lesson is that the local level of PES (the local labour office) has an important role regarding adapting the use of the tools to the needs of the local labour market.</td></tr>
<tr><td>Evaluation details</td><td>Evaluation reports are carried out periodically. The last report is available on the website www.mpips.gov.pl/index.php?gid=1097. entitled “The efficiency of services and instruments of the labour market aims at improving qualifications of unemployed”. Research has shown that 15 % of unemployed were unsatisfied with elements of their internship. The percentage of unsatisfied employers was even higher - about 25%. Thus, labour offices should improve recruitment processes for these internships. Experts pointed to the need of monitoring of internship and follow up.</td></tr>
<tr><td>Links</td><td>www.mpips.gov.pl</td></tr>
</table>

The Netherlands

Case 11: Early intervention

Early intervention/early identification/individual action plan	
PES	Centrale Organisatie Werk en Inkomen (CWI; Central Organisation Work and Income)
Country	The Netherlands
Contact person	Th. J.J. (Theo) Keulen, CWI E-mail: theo.keulen@cwinet.nl
Name of good practice case	Early intervention/early identification/individual action plan
Type of good practice case	Rapid response and provision of employment services for unemployed and employed people who are threatened by unemployment (4 months before start of the unemployment spell).
Role(s) of PES – brief description	To work as a gatekeeper ensuring early intervention.
Relation to analytical framework	Early intervention/drawing up an individual action plan is a core activity in the general overall strategy of CWI. Early intervention is a proactive and preventive measure aimed at supporting job-to-job transitions for employed people who are threatened by unemployment in the next 4 months.
Main goals and objectives of the good practice	To ensure early intervention and support timely job-to-job transition by: ▪ Getting a clear picture of the jobseekers' needs to support transitions from unemployment to employment and job-to-job transitions as quickly as possible. ▪ Prevent people from getting accustomed to inactivity. CWI's ambition is to help jobseekers (unemployed as well as employed) search for a job and prevent them from applying for a social security/unemployment benefit. ▪ In case of applying for a benefit to shorten the period of dependency on benefit
Reasons for its introduction	▪ To work as efficiently as possible. The Dutch government wants to increase labour participation in an efficient and effective way; ▪ To achieve the best results with a limited amount of means.
Level of implementation	Implementation by local Centres Work and Income (CWI's)
Main target groups	Unemployed and employed people who are threatened by unemployment (in the next 4 months).
Partners	Early identification/intervention is a core business of CWI. CWI operates as a gatekeeper. After an intake, CWI decides which route will be followed: ▪ Route A (for people who are able to look for work themselves; the PES service focuses on supporting the job search process)

Early intervention/early identification/individual action plan	
	▪ Route B (trajectory for unemployed job-seekers that focuses on strengthening competencies). *Local CWI's* are responsible for Route A. CWI has a full range of instruments to help the unemployed getting a job. If route A is followed, no other partners are involved. Social Benefit Organizations (*UWV and municipalities*) are responsible for route B. UWV and municipalities subcontract private organisations to carry out the interventions.
Short description of the example	First, there is a 'gatekeeper test.. Jobseekers have to declare what they can do themselves to get a job. CWI and jobseekers agree on an action plan. The individual action plan contains engagements about the activities undertaken by the client and support/services provided by CWI. The action plan should also fit the individual needs of the jobseeker. The Gatekeeper test is part of CWI's ""integrated customer-related services". All CWI's employees are skilled to work as a "gatekeeper" and provide integrated services to the customer. The agreements of the individual action plan will be entered in a digital "client follow up" system. The jobseeker receives a written confirmation of the individual action plan. It depends on the individual needs which services will be provided. This can vary from advice on searching for work/vacancies to application workshops, competencies testing, etc. The instruments involved include: ▪ Multi-channel strategy: CWI provides services by Internet, telephone and personal contact in 127 CWI offices. ▪ "Kansverkenner" (opportunity explorer). An instrument on CWI's website which estimates the work chances for job seekers based on recent labour market figures
Challenges encountered and how they were addressed	No challenges have been met.
Results to date/current state	495,000 new jobseekers. CWI prevented that 143,000 of these new jobseekers applied for a social security benefit (Gatekeeper role). 255.000 jobseekers found a new job; CWI directly introduced 106.000 job seekers to new employers. The other 149,000 persons found a job themselves partly due to CWI coaching or the use of self-service-instruments on www.werk.nl.
Effect and impact	The direct effects of early intervention are difficult to measure. It is part of the core business of CWI. CWI's efforts resulted in savings regarding benefit expenses and budgets for re-integration.
Start of implementation	In the late 1990s, early identification/intervention was developed under the name "early diagnoses". An early profiling model, the phasing system was introduced, but CWI left this approach because experience showed that it focussed too much on barriers. In 2000 the social security and employment service system was restructured (SUWI). The gatekeeper test was implemented in 2007.

Early intervention/early identification/individual action plan	
Reforms/amendments	The individual responsibility is still an important principle in the Dutch system. Self-services are well developed. In the last years, CWI has focused more on the capability of individuals to *search* for employment.
Financial resources	Annual funding of the work plan by the Dutch Ministry of Social Affairs and Employment
Lessons learnt	Starting point should be the client. What are his/her needs? PES should respect the client and provide services that fit with these needs. From mediation to facilitating.
Evaluation details	No recent evaluation regarding this early intervention/early identification/individual action plan. CWI frequently measures customer satisfaction. In 2007, job seekers gave a report mark of 6.8 for the services provided by CWI. The reports from recent quarters show an increasing appreciation of the jobseeker with regard to the strong focus on work. General evaluation In 2006, CPB Netherlands, Bureau for Economic Policy Analysis, published a discussion paper about the effectiveness of the Dutch PES. The researchers found that additional PES workers increased outflow rates for the short-tem unemployed and unemployment insurance recipients. They also found that additional PES workers reduce the inflow into schemes, to improve the timeliness of benefits and to increase the number of vacancies that are registered by the offices. The change in the number of PES workers per client is cost-effective, i.e. the extra costs are compensated for by the resulting reduction in benefit expenses.
Links	www.werk.nl

Additional literature

CPB Discussion Paper 73, 'Measuring the Effectiveness of Public Employment Service (PES) Workers, ISBN 90-5833-302-7

CWI jaarverslag 2007, Amsterdam 10 maart 2008 (annual report 2007)
http://www.jaarverslagcwi.nl/downloads/Jaarverslag%202007%20CWI.pdf

Case 12: Working with competences

Working with competencies, Competences Test Centre (CTC)	
PES	Centrale Organisatie Werk en Inkomen (CWI; Central Organisation Work and Income)
Country	The Netherlands
Name of good practice case	Working with competences, Competences Test Centre (CTC).
Type of good practice case	All local CWI's have a competences test centre. Jobseekers can enter a CTC to test their competences.
Role(s) of PES – brief description	To ensure that unemployed jobseekers are tested in the CTC.
Relation to analytical framework	The CTC provides insight and identification of skills, attitudes and personal characteristics of the unemployed. CWI advisors link/match the results of the competency test to the labour market opportunities. The service is demand led because CWI wants to match the jobseekers' individual competencies with the required vacancies competences.
Main goals and objectives of the good practice	Identification of competences in order to match demand and supply (unemployed jobseekers) on the labour market. Jobseekers get more information about their: ▪ talents, qualities and interests (also soft skills); ▪ opportunities on the labour market Previous work experiences (in a broad sense) are translated into work and personal qualities/talents. For unemployed jobseekers insight into qualities can be useful in selection procedures. Job-seekers have a personal competencies profile (supply); employers will have a competency vacancy profile (demand). The aim is to match these two types of competency profiles. In the near future, digital matching with competences will be possible.
Reasons for its introduction	In order to match demand and supply on the labour market the focus is more often on competences and not only on diplomas and expert skills. Competences form a whole set of knowledge, skills and (personal) characteristics that someone needs to adequately function in a job. Gaining insight in competences will increase job opportunities.
Level of implementation	Implementation by local CWI's
Main target groups	CWI tests new clients (inflow). In consultation with UWV and municipalities, also clients who have been unemployed for a long period can be tested. Unemployed jobseekers and employed jobseekers who are threatened by unemployment (in the next 4 months). Increasingly employers have also become a target group in order to define the competency requirements for a specific job.

Partners	Schools, Kenniscentra Beroepsopleidingen Bedrijfsleven, Colo, employers. Increasingly schools provide competencies-based education. Kenniscentra Beroepsopleidingen Bedrijfsleven (Centres of Expertise on vocational education and training). These institutions develop the Dutch qualification structure for vocational education. Their association “Colo” represents the interests of the Centres of Expertise at regional, national and international level. CWI uses the same definitions of competences as used in the educational system.
Short description of the example	Every local CWI has a competency test centre. Jobseekers can test their competencies. CTC's has bought valid test instruments and can test 26 internationally acknowledged competences. More than 400 advisors were trained to link the test results to labour market opportunities. For jobseekers with a poor command of Dutch, a new instrument has been developed: "Mijn Talenten Check". With the help of pictures and illustrations a small number of competences can be tested at three local CWI's. Jobseekers can make an appointment at a local CWI. On the base of an interview, the CWI advisor decides which tests are useful. The jobseeker can do the test at the CWI or at home. In a second interview the results will be discussed. The CWI advisor can indicate which jobs match with the jobseeker’s competences. Working with competencies is more than testing. CWI also tries to link the jobseeker’s competences to the labour market.
Challenges encountered and how they were addressed	No
Results to date/current state	In 2007, more than 49,000 jobseekers had their job competences tested.
Effect and impact	No data available. In the report on customer satisfaction, the jobseekers reported that they found the test useful. CWI finds that it gains insight into jobseekers' competences and that the unemployed persons own insight into competences increases his/her self esteem and self-knowledge.
Start of implementation	2005, started with four pilot projects. In 2007, all local CWI's were equipped with a CTC.
Reforms/amendments	No
Financial resources	Part of the annual budget provided by the Dutch Ministry of Social Affairs and Employment
Lessons learnt	Competency testing is part of a large strategy to help jobseekers find work. Competency testing goes further than career guidance. CTC focus on “soft” skills. The Dutch PES links the competency test to the demand side of the labour market.

	Competency Test Centres are transferable to other countries. If all countries measure the competences with the same valid test instruments it can – at its best - increase mobility on the European labour market.
Evaluation details	No evaluation available
Links	www.werk.nl

Additional literature

CWI jaarverslag 2007, Amsterdam 10 maart 2008 (annual report 2007)
http://www.jaarverslagcwi.nl/downloads/Jaarverslag%202007%20CWI.pdf

CWI jaarplan 2008, Amsterdam 1 oktober 2007, (plan year 2008)
http://www.werk.nl/portal/page/portal/werk_nl_bestanden/bestanden/cwiencijfers/Jaarplan%20CWI%202008%20versie%202.pdf

Case 13: Work-to-work mediation

Job-to-job mediation	
PES	Centrale Organisatie Werk en Inkomen (CWI; Central Organisation Work and Income)
Country	The Netherlands
Contact person	Th. J.J. (Theo) Keulen, CWI E-mail: theo.keulen@cwinet.nl
Name of good practice case	Work-to-work mediation: Mobility Centre Automotive
Type of good practice case	Job to job mediation
Role(s) of PES – brief description	CWI started the project and is a partner in it.
Relation to analytical framework	Mobility Centre Automotive aimed at supporting job-to–job transitions for more than 2,000 employees who lost their job at Nedcar (Dutch car company) or supply companies. CWI took the initiative to form a project group to build a Mobility Centre Automotive (MCA).
Main goals and objectives of the good practice	Support job to job transitions. At least 80% of the employees who loose their job and enter the Mobility Centre should find another job within the period July 2006 to December 2007. Aim is to prevent that these persons applied for social security benefit.
Reasons for its introduction	Massive redundancies in the automotive sector.
Level of implementation	Regional: Province of Limburg
Main target groups	Employees who worked at Nedcar or at one of the supplying companies and lost their jobs because of massive redundancies.
Partners	Public partners: CWI (PES), UWV (SBO), Province Limburg, Municipality of Sittard-Geleen (SBO), Kenteq (expert centre for technical craftsmanship) Private partners: Nedcar (Employer), private (re-integration) companies and temporary work agencies, i.e. Adecco, Agens, BOOST consultancy, Capability, Epheon. Lee Hecht Harrison, Maecon, Peters Personeels-Management, Randstad, Randstad HR Solutions, ROC Arcus, ROC Arcus, ROC Leeuwenborgh, StartPeople, Tempo Team
Short description of the example	In 2006, Daimler Chrysler announced the cessation of production of the Smart Forfour and get out of Nedcar. More than 2,000 employees were threatened by unemployment. A project group planned to construct a Mobility Centre Automotive for employees of Nedcar and supplying companies. The aim was to support people in finding another job. <u>Starting point</u> 1) Concentration of services (1 building, 1 logo for MCA) 2) intensifying service (focus on work, more interventions and shorter

	cycle) 3) integration of services and providers. <u>Instruments</u> ▪ Trajectories (trial periods, education, group activities); ▪ Werkcafés (a place to meet for employees who lost their jobs. Aim was to share experiences about vacancies, applying for a job and the difficult aspects of losing a job); ▪ "Job markets" (day of the operator, day of logistics, day of transport); ▪ Presentation of companies who might be interested in the employees who lost their jobs ▪ "Speed dates" (potential employers and jobseekers could meet each other); ▪ Road shows. The MCA advisor made a slideshow with several employees who could be of interested to a company and discussed their profiles in a personal interview with the company.
Challenges encountered and how they were addressed	The caseload for MCA advisors was too heavy to be able to speak frequently with all jobseekers. This resulted in few referrals to private re-integrations companies. In December 2006, four multi-disciplinary client teams were introduced. Advisors form CWI, UWV, temporary employment agencies and re-integration companies were represented in each team. As members of a team private re-integrations companies took direct part in deciding which services would be provided instead of getting a referral for a certain trajectory. This meant that re-integration companies spent more time in consulting with other parties. The investment paid back in higher outflow percentages. This is interesting especially when re-integration companies are paid on the basis of the principle "no cure no pay". .
Results to date/current state	This automotive case is a project. Beforehand it was decided that the project would stop in December 2007.
Effect and impact	The aim was achieved: 1,333 employees (85% of the inflow) found a new job. Not only in the automotive sector, but also in other sectors.
Start of implementation	July 2006
Reforms/amendments	Introduction of multidisciplinary client teams (see above)
Financial resources (National/Structural Funds/other)	All partners invested in MCA: CWI: € 895,000 (personnel, accommodation) UWV € 2,760,000 (personnel, accommodation, re-integration means) NedCar € 2,400,000 (personnel, accommodation, e portfolio, purchase budget re-integration activities) Kenteq P.M. Province Limburg/municipality Sittard-Geleen: € 600.000 Total budget € 6,650,000
Lessons learnt	<u>Success factors</u> ▪ The region was prepared and there was a sense of urgency. Province Limburg already had a platform where relevant parties met

	each other frequently. Thus, there was a strong network. ▪ Corporate responsibility policy of Nedcar. Nedcar was transparent and shared all the necessary information (with approval of social partners) ▪ Professional freedom, creativity, and the capacity to improvise. MCA was an instrument for crisis intervention in the labour market and made it possible to deviate from standard procedures and rules. This is the strength of the project, but a MCA should not be integrated in the daily structure of the PES services. MCA was a" "window of opportunity" and the temporary character of the project led to the results. Massive redundancy will occur also in the near future, but the circumstances will be different. <u>Minimum requirements for transferring a MCA approach</u> ▪ Be prepared with a good network and information ▪ Ensure political commitment ▪ Do not spend energy on building op a new administrative system but make agreements about direct services to jobseekers. ▪ Focus on work. ▪ Cooperate with the most proactive employees of each party ▪ Ensure a good public and private mix ▪ Ensure an independent location and limit the project in time. Work-to-work mediation is now part of the package of services of CWI.
Evaluation details	Yes, evaluation is based on description of experiences, qualitative evaluation (interviews) self-evaluation, written documents and figures provided by CWI, UWV en re-integration companies. (See additional literature below).
Links	www.werk.nl http://home.szw.nl/index.cfm?fuseaction=app.document&link_id=145605

Additional literature

Aanbiedingsbrief staatssecretaris Aboutaleb bij de beleidsrapportage "bemiddelen van werk naar werk", 12 juni 2008
http://docs.minszw.nl/pdf/34/2008/34_2008_3_11923.pdf

Beleidsrapportage : "Bemiddelen van werk naar werk: het mobiliteitscentrum Automotive als succesvol voorbeeld".
http://docs.minszw.nl/pdf/35/2008/35_2008_3_11924.pdf

Boekwerkje: creatieve aanpak van werk naar werk
http://docs.minszw.nl/pdf/35/2008/35_2008_3_11925.pdf

Slovenia

Case 14: ESS Cooperation with social welfare centres

ESS Cooperation with social welfare centres	
PES	Employment Service Slovenia (ESS)
Country	Slovenia
Contact person	Bojan Suvorov, Sonja Pirher and Cvetka Cvek, ESS, e-mail: bojan.suvorov@ess.gov.si
Name of good practice case	Cooperation of the Employment Service of Slovenia with Social Welfare Centres
Type of good practice case	Modernisation of Social Security Systems. Recipient of social assistance who are able to work are joint clients of the Social Welfare Centres (SWCs) and the local employment office of the ESS.
Role(s) of PES - brief description	To improve cooperation with the social security system.
Relation to analytical framework	Enhanced relation between employment services and social assistance services (rights and responsibilities).
Main goals and objectives	▪ To modernise the welfare state by connecting social and employment policies: balance of rights and responsibilities in order to activate individuals. ▪ The Government Programme for Active Employment Policy 2007-2013 sets as goal for 2013 that 44% of persons receiving social assistance and with work ability (registered as unemployed in the ESS database) should find employment
Reasons for its introduction	To ensure that social benefit recipients who are able to work also become a part of the employment system.
Level of implementation	National coverage
Main target groups	All recipients of social assistance with work ability.
Partners	Social Welfare Centres (62 in the Slovenia)
Short description of the example	Since 2000, the ESS is obliged to cooperate with the Social Welfare Centres (SWCs). The clients registered with the ESS as unemployed consist of three sub-groups (figures from 2007): 23.3% are recipients of unemployment benefits (UB), 38.3% are recipients of social assistance (SA), and 38.5% do not receive benefits (young persons seeking first job, persons not entitled to receive benefits or their rights to receive benefits have expired). Service process ▪ The SWC assesses the work ability of the individuals claiming SA (first assessment).

	▪ The ESS registers them as unemployed, if they meet the criteria defined in the legislation and mutually agreed criteria with SWC (younger than 60 years, not homeless, not drug- or alcohol-addicted, not in the process of detoxification, not ill). ▪ The ESS provides activation and placement services to this group, and reports back to the SWC if their status changes. ▪ SA recipient clients are referred to job vacancies, or ALMPs, but may also be referred to mini-jobs (short time, voluntary/humanitarian work) or seasonal work in agriculture. <u>Cooperation between SWC and ESS advisors</u> ▪ Structured, formal cooperation ▪ Joint case management, especially for clients with need for more intensive care. About 3,000 clients per year are in need of intensive support and comprehensive solutions from both institutions ▪ Joint assessment of clients who lose (temporarily or permanently) their work ability while being unemployed; these clients are deleted from the ESS register and are referred to social welfare. The ESS advisors regularly monitor the behaviour of unemployed SA recipients and make notes in their unemployment records. These data are available to SWC trough web-services and through automatic transfer of changes into SWC clients records (e.g., sanctions for violating the obligations, beginning of employment, etc.) to enable SWC to reach an appropriate decision related to the further payments of SA.
Challenges encountered and how they were addressed	Changes in the status of the client and the obligation of the SA recipient to accept any job may cause tensions. One fifth of SA recipients are young persons (up to 25 years) who are not eligible to receiving UB (e.g., because of previous short term contracts or no employment history). The eligibility rules for receiving UB are tight. SA is a means-tested benefit scheme; the maximum of EUR 222 (2008) is an income below subsistence level. Joint care for mutual clients functions better in small, local offices with more personal contacts than in large cities.
Results to date/current state	<u>2006</u> 30% of persons receiving social assistance and being able to work (registered in the ESS database) were placed in a (subsidised or regular) job. <u>2007</u> 36% of persons receiving social assistance and able to work (registered in the ESS database) were placed in a job. A 44% goal has been set for 2013. There is a moderate, but continuous positive trend in the job placement of this target group.
Effect and impact	The approach is a contribution to combating youth unemployment (20% of SA recipients are under 25), long-term unemployment (60% of SA recipients are in this group) and to combine different

	aspects of support to activate SA clients. The number of SA recipients registered as unemployed is decreasing (both in terms of percentage and in absolute figures). Percentage of SA recipients among all registered jobseekers: ▪ 2004: 42.2% ▪ 2005: 42.5% ▪ 2006: 41.4% ▪ 2007: 38.3% It should be mentioned that labour market conditions have improved in recent years (unemployment rate of 4.7% in 2007). At the same time the share of job vacancies for temporary jobs remains high (around 75% of all notified with ESS), influencing the employment opportunities of unemployed people in general and young people in particular.
Start of implementation	1998; linked databases (web-services, IT protocols) since 2006.
Reforms/amendments	Linked databases were established in 2006. Data in the unemployment records of clients are available via a web-service and can be accessed by the SWC advisors. The SWC advisors only have access to data relevant to SA payments. Special IT protocols for daily transfers of relevant data between ESS and SWC clients' files are in place as well. The advantages of the linked databases are high administrative efficiency, better prevention of fraud and optimised activation results.
Financial resources:	National funds. No specific resources used for the IT system.
Lessons learnt	The joint case management system is a "learning system" with continuous improvements.
Evaluation details	Regular monitoring is applied. The monitoring procedure applied by the ESS is controlled by the government (Ministry of Labour, Family and Social Affairs). The ESS does not provide funds to assign external evaluation.
Links	http://www.ess.gov.si/eng/

Sources

Presentation of Sašo Stiković (Government Office of Growth) at the Thematic Review seminar on 28 March 2007 in Brussels.

Case 15: Job fairs

Local and regional partnerships on job fairs	
PES	Employment Service Slovenia (ESS)
Country	Slovenia
Contact person	Sonja Pirher, Cvetka Cvek and Bojan Suvorov, e-mail: bojan.suvorov@ess.gov.si, ESS
Name of good practice case	Job fairs as local and regional partnership for direct promotion of employment and career opportunities.
Type of good practice case	Job fairs are territorial measures in partnership with local stakeholders, strengthening local networks and increasing transparency of local labour markets.
Relation to analytical framework	Example of effective labour market measures, helping people to cope with rapid changes, reduces unemployment spells and eases the transition to new jobs.
Main goals and objectives	The main objectives of the job fairs are: ▪ to ensure local/regional labour market transparency ▪ to strengthen the network of public and private job-mediation institutions at local and regional level ▪ to provide possibilities for direct personal contacts between unemployed, jobseekers on one side and employers on the other side, in an informal and direct way. Further synergy goals are: ▪ to ensure participation of SMEs and provide possibilities for presenting their specific labour and skills demands; ▪ to promote employment of special groups of job-seekers (the elderly, school leavers, people with disabilities) and facilitate matching; ▪ to inform unemployed and job-seekers about adult training, re-training and educational opportunities; ▪ to promote employers' current and future labour demands, regional development plans, education opportunities for occupations in demand and access to scholarship schemes among youth and their parents, among students in the final grades and all other job-seekers; ▪ to ensure free access to workshops: e.g., on job search skills, on employment advise or on possibilities for self-employment; ▪ to promote ESS local and regional employment programmes and EURES services to job-seekers and employers; ▪ to raise awareness of relevance of work experiences and skills gained in occasional jobs (e.g. student work) or in the NGO sector for labour market.
Reasons for its introduction	Until 2005, the ESS occasionally organized job fairs at the local level or took part in local or regional employment promotion projects organized by other institutions. The high economic growth caused labour shortages in many sectors. There was a mismatch between demand

	and supply, with a lack of interest in vocational education and training in some occupational areas. The ESS had to tackle these problems with a holistic and innovative approach, bringing together the actual (unemployed persons, jobseekers, redundant workers) and potential (youth, students, inactive persons) supply of labour with the actual and future demand for labour (employers). The new job fair concept is based on a broader approach of local/regional partnerships between ESS regional offices with employers, educational institutions, municipalities, employers' organizations, private employment agencies, NGOs and other stakeholders. The new approach is based on initiatives of ESS units at local and regional level; a strategy plan was developed by the ESS. Since 2007, job fairs have been included in the ESS activity plan and became a part of ESS annual targets.
Level of implementation	National coverage. Job fairs are implemented in all 12 regions, organised by the regional ESS offices, and implemented at local level
Main target groups	Unemployed persons, jobseekers, inactive persons, young persons (school students and their parents). Job fairs are open to the wider public, but registered unemployed people receive personal invitations from the local employment office by mail and SMS.
Partners	A wide range of local partners is actively involved, i.e. employers, social partners, municipalities, education and training intuitions, private employment agencies, regional development agencies.
Short description of the example	ESS Regional Offices play a central role in the organisation of job fairs. The programmes of the job fairs are prepared together with regional and local partners and include the following elements: ▪ information and recruitment stalls (booths) of employers ▪ presentations of occupations in demand and skills needs by individual employers ▪ presentations of educational and training programmes by schools, ▪ presentation of ESS services and activities ▪ presentations of job offers and services by private employment agencies ▪ workshops about job-search skills, self-employment ▪ possibilities for voluntary work in NGOs, etc. ▪ information about employers' examples of success stories (e.g., employment of persons with disabilities, elderly workers, young persons in their first job, re-employment of redundant workers, etc.) ▪ round tables with stakeholders about specific labour market topics, etc. Regional Offices provide information material and comprehensive coverage of local media before, during and after the job fairs. Media coverage contributes to the transparency of regional labour markets as well as to the promotion of ESS services in the region.
Challenges encountered and how they were addressed	A flexible approach is needed to answer the actual needs of the local labour market. In a situation with bottleneck problems, employers want to have direct contacts with suitable candidates for their vacancies and with candidates willing to (re)qualify. Employers are motivated to co-operate with schools in promotion of occupations among youth and adult job-seekers and thus to help mitigate the bottlenecks in the future.

Results to date/current state	17 job fairs were organised in 2007, 21 job fairs are planned for 2008. The results from the period 1-5/2008 are: 9 job fairs were conducted with the participation of 177 employers, 20 private employment agencies, and 47 other partners. The feedback received from unemployed people, job-seekers, youth and from employers and other institutional partners confirm the following positive results: ▪ immediate recruitment is possible, and recruitment interviews also take place after the job fairs ▪ advantage of direct personal interaction ▪ up-to date, relevant and first hand information is given ▪ raised awareness about current and future career possibilities (work, education and training), ▪ networking, cooperation with new partners is facilitated ▪ better knowledge about labour and skills shortages in the region, employers can acquire a realistic view about the labour supply, etc.
Effect and impact	Job fairs have become more than just employment recruitment events. The ESS and their Regional Offices see job fairs as one of the key instrument for developing regional labour markets, offering job opportunities and information for career planning to the individuals and supporting employers and other stakeholders to ensure effective use of human resources at local and regional level.
Start of implementation	Since 2007 in the current, holistic form
Reforms/amendments	The current approach, based on broad partnership is a further development of the former job fair concept. Continuous development and improvement are part of the concept since 2007.
Financial resources	National funds (ESS budget for ALMP)
Lessons learnt	The bottom-up approach, based on local initiatives is an important success factor. Public relations activities (media coverage) contribute to the success.
Evaluation details	Since 2008, systematic feedback is gathered from all job fair participants. Unemployed ESS clients are asked for feedback already at the job fair, employers and other participating partners are asked to answer short satisfaction questionnaire after the event. Immediate job placement results are not gathered in a systematic and reliable way, but there are attempts to collect this information in the future.
Links	http://www.ess.gov.si/eng/

Estonia

Case 16: INNOACT

Innoact – Labour market activation through innovation	
PES	Tööturuamet TTA (Estonian Labour Market Board)
Country	Estonia
Contact person	Nene Labi
Name of good practice case	INNOACT – Labour market activation through innovation
Type of good practice case	Providing employers with the skills they need – enabling the unemployed workforce to take up opportunities created by technological change and growth.
Role(s) of PES – brief description	PES facilitated a study of employer skills needs and then referred unemployed people to specific training provisions designed to meet employer needs.
Relation to analytical framework	INNOACT contributes to the employability of jobseekers by assisting them in gaining skills in line with employers' needs.
Main goals and objectives	To assist unemployed job seekers in gaining skills necessary to access jobs.
Reasons for its introduction	The project was a response to the problem of bringing labour supply and demand together, bridging a skills gap that allows this to happen. The project was piloted in one sector across three counties.
Level of implementation	Regional, focusing on Tallinn, Tartu and Ida-Virumaa where the metals sector is prominent.
Main target groups	All unemployed jobseekers – no additional qualifying criteria.
Partners	Tallinn Local Government, Estonian Labour Market Board, Tartu local government, Tallinn Technical University, Federation of Estonian Engineering Industry.
Short description of the example	Employers in the metals sector in the three counties were surveyed to identify their recruitment and skills needs over the short- to medium-term. The problem of, in particular, small-scale employers not really understanding their future skills and training needs was overcome by engaging a retired and well-respected figure in the Engineering Federation to work with employers to identify their needs. This also helped with disclosure and overcoming problems of trust. The responses were used to identify detailed training needs for the sector, including down to the level of skills required and the most respected provider of relevant training. Unemployed jobseekers were selected to participate in training with tests to identify existing skill levels and suitability for the training provided, i.e. the tests were used to identify specific levels

	of training required. The Estonian Labour Market Board provided testing of candidate jobseekers, careers advice and guidance and matching of candidates to training provision.
Challenges encountered and how they were addressed	Working with employers to identify their skills/recruitment needs and building the confidence of employers that commercially sensitive data would be treated appropriately were the main challenges encountered. The credibility and independence of the individual who lead the project, with a background in the sector, was crucial to gaining both confidence and to working with employers to accurately identify these needs. The project is now being expanded within the Tallinn area to three additional sectors, and its design features are being replicated in each sector.
Results to date/current state	The target was to achieve 60% beneficiaries finding employment. In fact, this was exceeded easily. Of the 400 beneficiaries of the programme only 20-30 remained unemployed after participating in the project.
Effect and impact	▪ Reduction of unemployment. ▪ Improvement of skills levels. ▪ Bridging skills gaps for employers. ▪ Better partnerships between key regional labour market actors.
Start of implementation	2005
Reforms/amendments	The INNOACT project has ended, but INNOACT II is being planned in Tallinn alone in four additional sectors.
Financial resources	The project was mainly financed by the European Social Fund (80%) and a range of other co-financing partners who contributed the remaining resources, including the Estonian Labour Market Board, Tallinn and Tartu local authorities. The total cost of the project was €240,000.
Lessons learnt	The credibility of the lead official in the survey was vital to the success of the project.
Evaluation details	An evaluation has been conducted and the report is available but only in Estonian.
Links	Estonian Labour Market Board: http://www.tta.ee/index.php?t=2

Sources

Le Forem Report as part of Employers New Approach project for the European Commission.

Case 17: Reacting to Mass Redundancy

Reacting to Mass Redundancy	
PES	Tööturuamet TTA, Estonian Labour Market Board
Country:	Estonia
Contact person	Nene Labi
Name of good practice case	Reacting to Mass Redundancy
Type of good practice case	Enabling rapid reemployment of people who are made redundant.
Role(s) of PES – brief description	Working in partnership with other labour market actors to provide timely information, advice and support in redundancy situations.
Relation to analytical framework	To provide flexible and responsive services to workers who are being made redundant.
Main goals and objectives	To ensure that workers given notice of impending redundancy are advised about their rights, given financial and labour market advice and are supported in finding alternative employment rapidly.
Reasons for its introduction	The economy in Estonia has undergone rapid restructuring as part of the transition from a command to a market economy. This often involves redundancy situations, and in 2005 a new approach was thought necessary to broker easier transitions in the labour market for redundant workers.
Level of implementation	National, with some elements of regional focus, for instance in Ida-Virumaa.
Main target groups	Those given notice of redundancy.
Partners	Estonian Labour Market Board, Estonian Employers Union, Labour Market Inspectors, and Estonian Labour Insurance Fund.
Short description of the example	In situations of redundancy, Estonian labour law requires employers to give formal notice of redundancy to the public authorities. However, it is often the case that this notice is not given. In the past, redundancy situations have not been the subject of a coordinated response. This project aimed to generate a coordinated response between: ▪ employee unions that could help to identify alternative vacancies ▪ labour market inspectors who could advise on individual rights in redundancy situations ▪ the Labour Market Board that could advise on vacancies and training opportunities ▪ the Labour Insurance Fund that could advise on welfare benefits. The four partners agreed to share information on redundancy situations as it arose and to arrange joint information events. This approach ran for a trial period. It was also effectively copied

	in a European Social Fund supported project in the North Eastern county of Ida-Virumaa, which is traditionally associated with textile industries that have declined in importance over time. These textile industries have gradually reduced their workforces through redundancies and other means. The ESF project used the same approach to encourage re-training of redundant textile workers (many of them women) to enable them to take up opportunities in new industrial sectors. Since 2005, the approach has become mainstream practice and is now regarded as a standard service offered by the social partners.
Challenges encountered and how they were addressed	The main challenges encountered in this approach are: ▪ Specific groups of workers who do not want to retrain for alternative employment. ▪ In the current economic context, the volume of redundancies is a particular challenge at a time of general economic slowdown.
Results to date/current state	In the pilot phase of the project, 1,200 redundant workers were supported, with only four requiring retraining.
Effect and impact	▪ Overall, the results have been positive with around 70% of beneficiaries finding alternative employment immediately. However, the current financial climate may be more of a challenge, i.e., this sort of performance might not continue. ▪ A better and more informal relationship between the four partners, resulting in and improve and more rapid information flow and reaction in the event of redundancy situations.
Start of implementation	2005
Reforms/amendments	Has continued after initial pilot phase.
Financial resources	The resource implications of the project are minimal and supported by each partner from their own budgets.
Lessons learnt	Early response and coordinated response can help to promote rapid re-employment in the event of redundancy situations.
Evaluation details	An evaluation has been conducted and the report is available but only in Estonian.
Links	Estonian Labour Market Board: http://www.tta.ee/index.php?id=136

United Kingdom

Case 18: Use of sustainability payments

Use of sustainability payments	
PES	Jobcentre PLUS
Country	United Kingdom
Contact person	Simon Smith, Anton Eckersley
Name of good practice case	Use of sustainability payments
Type of good practice case	Administration of payments to contractors to ensure that jobs are sustainable and to incentivise 'in-work' support.
Role(s) of PES – brief description	Structuring of payments to contractors who may provide a package of support, often to harder-to-help customers or those who have been unemployed for a period of time. The PES structures reward payments according to a range of criteria, including job outcome (off-flow from benefit into employment) and sustainability (i.e., customer still being in work after 13/26 weeks).
Relation to analytical framework	Sustainability payments contribute to better partnership with other service providers, enhance the cost-effectiveness and minimise the risk of creaming and parking of disadvantaged unemployed.
Main goals and objectives	To ensure that clients who are helped to find work, especially by contractors, are placed in good quality sustainable jobs and that flexible support is given to ensure that the customer stays in work during the difficult transition from benefit dependency to sustained employment.
Reasons for its introduction	There are a number of reasons for introducing a more sophisticated approach to contracting and rewarding the performance of external contractors. The essential context is provided by the analysis and recommendations of the Freud Review of Welfare. This review recommended that Jobcentre Plus adopt "outcome-based" contracts with providers where "providers would receive outcome based payments that reward them for ensuring that individuals find and remain in work. Illustratively, this could be for a period of up to, say, 3 years" and that these payments (Freud, 2007:69). Freud also suggested that other measures of sustained employment and progression in the labour market might trigger payments such as personal pay progression, improvements in qualifications. Similar, though notably less ambitious, payment structures have been piloted in other Welfare to Work programmes. For instance, New Deal for Disabled People and the Employment Zone programme both included outcome based payments with a payment for sustainability triggered at around 13 weeks of sustained employment following job entry (Orr et al, 2007; Policy Research Institute, 2006).

	Another influential policy review suggested that the government's Work First approach to welfare provision was insufficient to enable it to meet its high profile Child Poverty targets and that this was the result of a number of factors including in work poverty and cycling between low paid work and benefit dependency. As such Harker recommended a shift to a 'Work First Plus' model where enhanced emphasis should be given to ensuring people not only move off benefits into work but that they stay in work and progress within the labour market. Outcome based contracting is one means of delivering this objective.
Level of implementation	National
Main target groups	The main target groups are those on unemployment and inactive benefits. Those on unemployment benefit (Jobseekers Allowance) for more than a year will be referred to a private service provider. Some JSA customers may be able to access this support early, for instance, at an Adviser's discretion (Flexible New Deal/Adviser Discretion Pilots) or because they have specific barriers to labour market participation or are categorised as at risk of facing these barriers, such as people with basic skills problems or ex-offenders. After October 2008 some people who currently claim Incapacity Benefit will be placed in the Work Related Activity group of the new Employment Support Allowance benefit. They will be expected to work with providers in the private and voluntary sectors. In both cases the providers of these services to Jobseekers and inactive benefit claimants will be incentivised through the contract system to help claimants find work.
Partners	The main partners are the private sector providers themselves.
Short description of the example	The new approach to payment of contractors on an outcome basis and including sustainability payments is one part of the overall approach to Welfare Reform (for the latest statement on this see DWP, 2008) on the one hand and to management of the market structure for providers on the other (see DWP, 2008a; 2008b). The approach to be adopted is aimed at developing a more sustained and strategic approach to managing the market for the provision of Welfare to Work services and to ensure that the payment structure incentivises both innovation in service provision and a focus on placement into good quality and sustainable jobs. To this end, payments are structured around sustainability milestones such as 13 and 26 weeks. However, the recent economic crisis has brought the whole contracting model into the spotlight as providers raise concerns that performance benchmarking levels in relation to job outcomes may be too ambitious in the context of declining labour market demand and that the their initial 'bids' for contracts may therefore not be sustainable in the light first of the cost of credit to make the investment in innovative frontline services and second in view of the likely lower than previously expected level of outcome payments (for instance see Timmins and Baker, 2008:2).
Challenges encountered and	N/a in process of early implementation. Potential challenges have

how they were addressed	been offset in the intention to shift beyond a simple 13-week measure of sustainability which might create perverse incentives for providers or simply not lead to truly sustainable jobs.
Results to date/current state	N/a early implementation.
Effect and impact	n/a early implementation. Evidence from the evaluation of Multiple Provider Employment Zones was not conclusive due to the methodology employed but suggested that results may be mixed, though individuals welcomed the additional support after finding work that the payment incentives appeared to trigger (Policy Research Institute, 2006).
Start of implementation	2006
Reforms/amendments	In general there is a shift toward an acceptance that sustainability payments need to go beyond 13 weeks, in part a response to early concerns that this was insufficient period of time to ensure a sustainable job entry (Policy Research Institute, 2006).
Financial resources	National.
Lessons learnt	N/a
Evaluation details	N/a
Links	http://www.dwp.gov.uk/publications/dwp/2008/com-strategy/cs-rep-08.pdf

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Case 19: Adviser Discretion Pilots - Flexible New Deal

Adviser Discretion Pilots	
PES	Job Centre Plus
Country	United Kingdom
Contact person	Simon Smith, Anton Eckersley
Name of good practice case	Adviser Discretion Pilots (Flexible New Deal)
Type of good practice case	
Role(s) of PES – brief description	Removing regulations on Jobcentre Plus Advisers, thereby giving additional flexibilities to tailor services to meet individual needs.
Relation to analytical framework	Decentralising responsibility to ensure that PES officers can tailor employment services to the needs of each individual unemployed.
Main goals and objectives	To enable advisers to tailor services to meet the needs of individuals, including both those who are 'job ready' but need a relatively straightforward intervention in order to enter the labour market and those facing more acute disadvantages, requiring more sustained or in-depth support.
Reasons for its introduction	Since 1998, when the first New Deal was introduced, a range of Active Labour Market Policies have been deployed, including a range of national initiatives such as New Deal for Young People, New Deal 25+, New Deal 50+, New Deal for Lone Parents and New Deal for Disabled People. In combination with strong labour market demand throughout this period, this led to a growth of employment and reduction in the numbers of unemployed people. However, while these ALMPs are widely thought to have been successful in facilitating this reduction in unemployment, two particular problems have remained unresolved: (1) A significant 'low-pay/no-pay' cycle has emerged where people cycle between unemployment and relatively low paid and low productivity employment, often on a causal or temporary contract basis. (2) Those that have not moved into work tend to face more acute and often multiple disadvantages making them less suitable for some of the standard New Deal approaches. As such, a number of policy reviews, including the Freud Review of Welfare, the Leitch Review of Skills and the Harker Review of Child Poverty, identified a need to move beyond the previous 'Work first' approach to welfare and employment service provision. This new approach is often referred to as 'work first plus' and the introduction of the Flexible New Deal is a key element of this.
Level of implementation	National – in pilot stage.
Main target groups	All unemployed people but especially those facing particular disadvantage.
Partners	Prime contractors in the private sector.

Short description of the example	Increasing Adviser Discretion sits within the Work First Plus policy framework. Under the Work First agenda, Adviser behaviour was highly regimented and governed by a Standard Operating Model (SOM) which set out what interventions were possible for different categories of customer at different points in time. This defined Adviser behaviour to the extent that it included a particular list of actions that needed to be completed in each and every interview between a Jobseeker (or inactive client) and their Adviser. The different elements of the SOM were frequently subject to evaluation and research and changed as a result of evidence that one or other approach was more or less suitable for a particular client group. This level of standardisation is no longer felt to be suitable to tackling the types of 'barrier to work' faced by the remaining stock of unemployed people and as such increasing flexibility at the level of the Adviser is thought to be necessary. In addition, several important evaluations of private sector provision of welfare to work services have suggested that enhanced Adviser flexibility explains their success in helping disadvantaged people to find jobs. Examples of increased flexibility might be the ability to make financial payments to support an unemployed person with the transition to work (such as buying work clothes or a public transport pass) in conditions where this would not have been possible in the past, or being able to refer to contracted and non-contracted provision in conditions where this was not possible in the past. These flexibilities are supported by a wide range of other organisational changes within Jobcentre Plus. These include the replacement of the previous performance management system which previously encouraged Advisers to: ▪ Focus their attention on only those clients that had a realistic chance of employment ▪ Helping those clients who had already found employment as a means of collecting performance points for this; or to ▪ Only refer clients to support which would enable the Adviser to collect points in the event that it was successful in helping the client into work. This performance management system has now been replaced by one that aims to encourage Advisers to refer to a wide range of available provisions, including that supported by resources from the European Social Fund, and to focus on issues of enabling clients to move toward sustainable as opposed to short-term employment. In addition, there have been wide-ranging changes to the management, organisation and training of Advisers. New training schemes such as the Adviser Routeway have been introduced and a new band of Advisory Services Managers have been introduced to try to improve the level of service offered to unemployed and inactive people.
Challenges encountered and how they were addressed	The main challenges faced in implementing Flexible New Deal and Adviser Discretion relate to the skills and capacity of staff and culture of the organisation. Jobcentre Plus has an organisational culture which has relied on centralised command and control – for

	instance in the form of the Standard Operating Model and centrally set targets and performance indicators. As such, the transition to increased individual autonomy and associated qualitative management techniques is a major change and is likely to take some time to embed. Allied to this, Advisers have worked for many years in a regimented system with little flexibility and increased autonomy is likely to be more challenging in relation to the skills, capacity, and confidence required. These challenges will be faced over the lifetime of the pilots and evidence of successful practices in confronting them is likely to come from the planned evaluation.
Results to date/current state	The Adviser Discretion Pilots are in an early stage of delivery and as such there are no 'results' to report at the moment.
Effect and impact	No evidence of impact is available at the current time.
Start of implementation	2008
Reforms/amendments	N/a
Financial resources	No public information is available on costs. The Pilots are supported from normal public expenditure.
Lessons learnt	That new innovative policy measures also require organisational adaptation and re-skilling of staff.
Evaluation details	The Pilots will be evaluated and plans for the overall evaluation of the Flexible New Deal are currently being drawn up.
Links	http://www.jobcentreplus.gov.uk/JCP/index.html

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Case 20: Employment Support Allowance

Introduction of Employment Support Allowance	
PES	Jobcentre Plus
Country	United Kingdom
Contact person	Simon Smith, Anton Eckersley
Name of good practice case	Introduction of the Employment Support Allowance
Type of good practice case	Change in benefit administration to activate inactive claimants
Role(s) of PES – brief description	Administering a new benefit for claimants who are currently inactive. The new benefit is intended to emphasis capacity for work and to 'activate' as many currently inactive claimants as possible.
Relation to analytical framework	Encouraging a work-first approach in dealing with benefit claimants.
Main goals and objectives	To place the emphasis in the welfare system on what work people can do rather than simply declaring people unfit for work. The ultimate aim of the introduction of the ESA is to reduce the numbers of people on inactive benefits. This is seen as good for the economy – releasing latent labour power and therefore increasing economic output – and for individuals themselves. This latter point is supported by research and policy reviews which emphasise the health, well being and social inclusion benefits of employment.
Reasons for its introduction	The UK economy has performed well over the last decade with strong job growth. However, this has not benefited all groups equally. There is a large section of the population who face prolonged and serious disadvantage as a result of physical and mental health problems, skills deficits or caring responsibilities. In the past it is widely thought that economic restructuring has left many people claiming inactive benefits as a result of a skills deficit and this may be the underlying factor behind an apparent illness which might prevent an individual from undertaking some but not all types of work, especially where this is related to a physical illness. This is often referred to as 'hidden unemployment' (Beaty and Fothergill, 2002). In addition, it is also widely thought that many people that are unable to work because of mental health problems would actually benefit from the self-esteem and confidence that are reported impacts of participation in the labour market. It is argued that in the past the benefit and institutional system have worked to promote ill-health related inactivity as part of an in ill-conceived institutionalised desire to protect some people from the requirement to seek work that is inherent in the alternative benefit for unemployed benefit. As such, it is argued that the introduction of the Employment Support Allowance with a new Personal Capacity Assessment, designed to emphasis what work an individual is capable of will help to change these institutionalised perspectives and practices.
Level of implementation	National.

Main target groups	All inactive benefit claimants – currently Income Support and Incapacity Benefits.
Partners	GP[36] and other medical practitioners in relation to Personal Capacity Assessment and private and third sector partners in relation to the delivery of targeted support to 'activate' inactive benefit claimants in the *Pathways to Work* programme.
Short description of the example	For new clients, Employment and Support Allowance will replace Incapacity Benefit and Income Support paid on incapacity grounds from October 2008. Existing Incapacity Benefit or Income Support customers will initially continue to receive their existing benefits, so long as they satisfy the entitlement conditions. The main changes will be to unify some administrative procedures and introduce a new medical assessment based on the work that people can do rather than what their medical condition will prevent them from doing. There will also be enhanced expectations about activity that recipients undertake to prepare for work, attendance at Work Focussed Interviews and the availability of support to overcome medical and other barriers to work. There are also proposals to strengthen the requirement to undertake training.
Challenges encountered and how they were addressed	The challenges associated with the introduction of the Employment support are: ▪ Technical – computer software to administer the new benefit eligibility rules and staff training on the new processes. ▪ Cultural – particularly in relation to a change in mindset in the Jobcentre Plus and partners (especially GPs and other medical practitioners). ▪ Political – the reforms are controversial and are seen on different sides of the debate as either too soft on social groups that have become dependent on welfare provision, or as too harsh on people who are genuinely unable to work because of medical problems or caring responsibilities, in particular Lone Parents. The introduction of the ESA is also pertinent to the debate on the impact of economic migration (especially as resulting from EU enlargement) on competition for low paid employment. ▪ Economic – the ESA is being introduced at a time when the unemployment register is rising for the first time in many years as a result of a widespread economic downturn and crisis of confidence. There may be challenges associated with increasing the labour force in this context.
Results to date/current state	The ESA has not yet been introduced. However, there are financial projections which suggest that the new benefit may result in benefits to public expenditure which result from increased tax revenues and reductions to social transfer payments.
Effect and impact	There is no evidence yet on the impact of the ESA as it is not introduced until October 2008. However, the Pathways to Work programme which is associated with the ESA has been the subject of several in-depth evaluations and s regarded as successful.
Start of implementation	October 2008

[36] In the UK 'GP' is the widely used acronym for General Practitioner – a family Doctor who is responsible for the delivery of Primary Care.

Reforms/amendments	N/a
Financial resources	N/a
Lessons learnt	N/a
Evaluation details	N/a
Links	http://www.jobcentreplus.gov.uk/JCP/index.html Employment and Support Allowance website: http://www.dwp.gov.uk/welfarereform/employment.asp.

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Denmark

Case 21: Jobnet

Jobnet	
PES	Arbejdsmarkedsstyrelsen (The National Labour Market Authority), Jobcenter Roskilde
Country	Denmark
Contact person	Bente Dalgaard (PES), Anne Haarløv and Claus Mortensen (Jobcenter)
Name of good practice case	Jobnet
Type of good practice case	Internet-based job-database for all employers and job seekers in Denmark provided by PES.
Role(s) of PES – brief description	PES is responsible for Jobnet and the ongoing administration and development of the portal. The local PES offices (jobcentres) and unemployment insurance funds are involved by ensuring that the quality of the CV's in the database is acceptable.
Relation to analytical framework	Jobnet is an example of a digital service combining the advantages of ICT's with active labour market policy. The service facilitates a self-help strategy for those with the resources to do so, while weaker unemployed people are guided in using the system.
Main goals and objectives	To support job-to-job transitions, to ensure that unemployed people are actively seeking jobs, and that those who need help in making CV's receive help.
Reasons for its introduction	Jobnet was introduced as a part of the overall 2002 Government Digital Strategy. The obligation of the unemployed to put their CV's on Jobnet was a political desire to ensure that the unemployed were actively seeking jobs.
Level of implementation	National
Main target groups	Employers, job changers, unemployed job seekers
Partners	Sub-contractors for the technical assistance. Jobnet Denmark was developed on the basis of an existing Swedish equivalent. In 2004, cooperation via the Nordic Council of Ministers facilitated that all vacancies in the Öresund Region was made visible for both Danish and Swedish jobseekers.
Short description of the example	The main service of Jobnet is its CV bank and job bank for employers and job seekers. Jobnet has all the functions of a normal job-database plus some special functions such as vacancies for unskilled labour, connection to the EURES database, vacancies for foreigners in several languages,

	information on Danish employment regulations, and self-service for beneficiaries. The unemployed are obliged to use Jobnet actively if the jobcenter assess that they are employable. The use of Jobnet is checked by the local PES officer (or insurance fund officer) who also goes through the CV to certify that the content of the CV is adequate and earnest. If needed, the PES officer helps the unemployed person to make a CV. Jobnet can be used by the PES officer as a device for convincing the unemployed that there are available jobs matching his profile because the PES officer can look up which vacancies match the profile of the unemployed. Ten job matches are automatically shown to the jobseeker on each login. The registered unemployed are now obliged to confirm job-search weekly by logging onto Jobnet and pressing a specific button. If this does not happen 3 weeks in a row benefits are automatically stopped. In Jobnet's early stages, marketing was used to spread the use of the service. The early stages of Jobnet also included an online e-learning programme oral guidance in Turkish, Kurdish, Arabic, English and Danish.
Challenges encountered and how they were addressed	An important challenge for Jobnet is to ensure that all available jobs are posted in the database. The government is obliged to notify all vacancies on Jobnet, and recently the Danish municipalities have also been forced to do so. However, there is still a challenge in making enterprises notify vacancies for academics in the private sector. An evaluation has criticised Jobnet for lack of user-friendliness. PES is now trying to accommodate this. The challenge in this regard is that Jobnet started as a small, voluntary portal and then gradually grew to a large-scale, mandatory instrument in Danish employment policy. This means that the codes behind Jobnet are very complex and it is extremely difficult to change one small part of the system without interfering with other parts of the system.
Results to date/current state	Jobnet has 2 million visitors a month and approximately 250,000 vacancies per year which is considerably lower than the estimated Danish job-turnover of 700,000 jobs (including non-advertised jobs). However, the number of vacancies on Jobnet is increasing. There are approximately 198,000 registered job seekers and as of October 2008, 106,000 of these were active. Since Denmark only had 45,600 unemployed people at the time of writing (October 2008) this indicates that employed jobseekers also use the database. Jobnet is mainly used by women, young people, low-skilled, and unskilled job seekers.
Effect and impact	The actual impact of Jobnet has not been evaluated. User surveys from 2003 and 2007 indicate that Jobnet has had some effect because 28% of the users were offered a job in 2007 compared to 13% in 2003. 63% of the users find that Jobnet increases their chance of being employed. However, it is difficult to know whether this is also related to the booming Danish labour market.
Start of implementation	Jobnet started in 2002.

Reforms/amendments	▪ In 2003, it became mandatory for the unemployed to put their CV's in the database ▪ In 2004, it became mandatory for the government to notify vacancies on Jobnet ▪ In 2004, a new service posting vacancies that do not require any qualifications was started (Hotjobs). Jobcenter Roskilde finds this service very popular amongst the uninsured unemployed and employers looking for a fast-track to hire unskilled labour. ▪ In 2008, it became mandatory for the unemployed to confirm their active job-search once a week. ▪ In 2008, the classification of jobs was changed as a result of an external evaluation.
Financial resources	Jobnet is financed through the annual state budget for government IT services. The Jobnet budget is approximately DKK 22 million/year (€ 3 million). There are only 12 full time positions working with Jobnet (including supporters).
Lessons learnt	The obligation of the unemployed jobseekers to make a CV for Jobnet has changed the responsibility of the data from the PES officer to the unemployed person, and it seems that this also gives the unemployed a stronger sense of responsibility for finding a job. However, this only works because the PES officer/insurance fund officer still certifies the content of the CV. The fact that Jobnet is a government tool makes is more reliable and ensures the jobcentres that there is some continuity of the system.
Evaluation details	Different aspects of Jobnet have been evaluated, but the actual *impact* of the database has not. In 2007, the users' perception of Jobnet was evaluated, and this gave some insight into what kind of job seekers use Jobnet and how they use it. The classification system has been evaluated and this resulted in a change in the system because it revealed several problems concerning the existing classification system. For instance, there was no useful designation of occupation for academics.
Links	http://www.jobnet.dk/om+jobnet/jobnet+in+english/

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Case 22: Cooperation between PES and unemployment insurance funds

Cooperation between PES and unemployment insurance funds	
PES	Danish National Labour Market Authority, Arbejdsmarkedsstyrelsen/PES), Jobcenter Roskilde Association of Danish Unemployment Insurance Funds (A-kassernes Samvirke)
Country	Denmark
Contact person	Maria Nørby (PES), Anne Haarløv (Jobcenter), Claus Mortensen (Jobcenter), Lars Preisler (Insurance Funds)
Name of good practice case	Cooperation between PES and unemployment insurance funds
Type of good practice case	Better integration of employment services from PES and unemployment insurance funds
Role(s) of PES – brief description	The role of PES is to ensure that the work of all actors in the employment services system has the same aim, i.e. expanding the Danish labour force and getting more people off benefits and into employment.
Relation to analytical framework	Cooperation between PES and the unemployment insurance funds contributes to consistent strategies of PES and SBO.
Main goals and objectives	The main goal of cooperation between PES and the unemployment insurance funds is to ensure that all stakeholders in the employment services system work in a way that is conducive for the overall employment strategy of the government. One objective concerning increased cooperation and the extended role of the unemployment insurance funds in the employment services is to give the insurance funds more responsibility for employment.
Reasons for its introduction	PES and the insurance funds have always had some level of cooperation and are a vital and necessary part of the Danish employment system where insurance funds play a central role. The cooperation has become increasingly important after the Danish reform of municipalities and development of 97 one-stop-shop Jobcentres and a recent welfare agreement.
Level of implementation	National, regional and local.
Main target groups	PES, unemployment insurance funds, and their employees. The most important target group is the insured unemployed people.
Partners	PES and the unemployment insurance funds are the most important partners. The Danish Association of Municipalities and individual municipalities is involved when necessary (for instance, individuals on sickness benefits).
Short description of the example	As a part of the recent Danish welfare agreement, the insurance funds were given responsibility for the first meeting with insured

	unemployed jobseekers. The first meeting concerns the development of a CV. The insurance funds have a unique insight into the employment prospects of their members, because the funds are mainly sector-based. After the welfare agreement, the National Labour Market Authority (PES) initiated a major campaign with selected insurance funds. The campaign concerned the new role of the insurance funds in the close daily work with the unemployed. As part of the campaign, the National Labour Market Authority and the insurance funds cooperated on developing shortlists for useful ways to work with the unemployed. The objective was to create dialogue between the partners on constructive and innovative ways of dealing with the unemployed but also to ensure a coherent way of approaching the unemployed. The campaign also included a conference for good practice exchange between PES and the insurance funds. After the reform of the municipalities and the creation of 97 one-stop-shop jobcentres instead of the previous 14 centres for the insured beneficiaries, the National Labour Market Authority gave all the jobcentres a framework for cooperation with the insurance funds. The actual implementation of cooperation can vary between each municipality, region and sectoral insurance fund. This was also the purpose of the framework agreement because it is difficult for the National Labour Market Authority to conduct a centralised cooperation model for the local Jobcentres. At regional and local level there are several formal networks between Jobcentres and the insurance funds. The network is created by one or several jobcentres and one or several insurance funds. For instance, Jobcenter Roskilde has a network with representatives of the insurance funds meeting a couple of times a year. Such networks often organise thematic meetings on different aspects of employment services - for instance services aimed at unemployed in protected jobs or methods for guidance and counselling. All such initiatives are initiated locally, and thus vary between municipalities and regions. For the majority of insured unemployed the only contact between the fund and the jobcentre is when the fund sends the electronic CV of the unemployed to the jobcentre. The less employable the individual is the more intensive the dialogue between the fund and the jobcentre. This bottom-up type of cooperation is conducive for employment services tailored to the need of the individual and with the special knowledge that the funds have about different sectors of the labour market. The disadvantage of this approach is that it is difficult to measure the effects.
Challenges encountered and how they were addressed	The reform of Danish municipalities and creation of 97 Jobcentres implied a challenge to the existing structures of cooperation between the Jobcentres (PES) and the insurance funds. Before the reform, the insurance funds and government centres for insured unemployed was regionalised according to the same structure, and this made cooperation easy. Today the insurance funds are still central or regionalised whereas the Jobcentres are scattered across 97 municipalities. The above-mentioned framework for cooperation was the first steppingstone to creating

	new structures of cooperation. However, the creation of new structures for cooperation is still in process of being developed locally.
Results to date/current state	The cooperation potentially affects all insured unemployed, all local PES officers dealing with insured unemployed, and unemployment insurance funds officers.
Effect and impact	There are no official evaluations of the cooperation between the unemployment insurance funds and PES.
Start of implementation	Ongoing since the implementation of unemployment insurance funds in 1907.
Reforms/amendments	The cooperation was changed when the Jobcentres were created, and then again after the Welfare agreement which prescribed the insurance funds to have the first meeting with the unemployed (see above).
Financial resources:	There are no special resources allocated for the cooperation. Rather it is a part of the daily work of PES and the insurance funds. The campaign was financed by the annual state budget.
Lessons learnt	From the perspective of the government it is good that the vital actors of the employment services system cooperate and ensure that the employment services all contribute to the government's goal of getting more people employed. This does not take place without some kind of instrument like the campaign which contributed to the coherent and integrated strategy of PES and the funds. However, it is also important that no central agency prescribes a one-model-fits all for the local cooperation between the Jobcentre and a fund. It is important to have a clear division of labour between the Jobcentre and the funds. Cooperation should be created from below and directives from above should preferably be frameworks facilitating cooperation and unified strategies.
Evaluation details	The practice has not been evaluated.
Links	www.ams.dk www.ak.samvirke.dk www.jobnet.dk

Annex 2: Country fiches

This annex contains country fiches for five European countries:

- Austria
- Denmark
- France
- The Netherlands
- Slovenia

1. Austria: Supporting flexicurity through lifelong learning

General labour market performance, 2007[37]	Employment rate(% population aged 15-64) : 71.4 % Employment rate 15-24: 55.5 % Inactivity rate: 25.3 %
Flexible contractual arrangements	Flexicurity indicators, contractual arrangements : ▪ Persons not working in involuntary fixed-term or part-time: 75.5 % of persons in employment[38]. ▪ Employees with overtime work: 6.1 % The Austrian labour market is characterised by a mixed flexibility performance. Labour turnover and job tenure indicators point to the direction that *numerical flexibility* is rather low compared to the EU-15 average, albeit employment protection regulation (EPL) shows an average strictness for regular employment and a rather low rigidity for temporary employment (*external numerical flexibility*). Working hours are regulated in the 'Working Hours Act' and in collective agreements. From the 'Working Hours act 1994' onwards, the working hours regulations became more liberal (*internal numerical flexibility*). In Austria, about 98 % of employees in the private sector are covered by a collective agreement. Despite this high coverage, wage differentials are considerable (especially the gender pay gap is substantial) (*wage flexibility*). Examples of *combination security* are parental leave (up to two years), job-rotation, leave for education and new rules giving employees with in companies with more than 20 employees the right to part-time work until their child is seven years old. The recent reforms ' Working Time Act (AZG)(2007)' and the 'Unemployment Insurance Act (2005)' point towards an overall increase in flexibility. 'Good work' is also related to flexicurity. In May 2007, the social partners agreed on a new flexible working time package to enter into force on January 1st 2008 as an amendment to the Working Time Act. The amendment permits employers to increase working hours up to 60 hours a week for 24 rather than 12 weeks a year and the daily working time to be 12 hours a day when the employers is faced with a temporary surge in demand. *The internal numerical flexibility* is also improved by allowing collective agreements to delegate decision making to plant-level agreements.
Active Labour Market Policies	Flexicurity indicators[39], Active labour market policy ▪ Expenditure on LMP-measures per person wanting to work € 2,226 ▪ Expenditure on LMP-measures as % of GDP 0.54 ▪ Participants in active measures per 100 persons wanting to work: 26,9 ▪ Preventative services, adults[40]: 0 *Role of PES:* The Austrian PES, Arbeitmarktservice (AMS), is a three-tiered organisation comprising federal, regional and local levels with a joint approach by workers' employers' and government representatives on all three levels. This organisation model revolves around the idea that an effective labour market policy requires a joint approach and appropriate consideration of regional disparities

[37] European Commission 2008b, this is also the source for the figures quoted in the similar sections for the other countries. All figures quoted are 2007 figures, i.e. figures reported in 2007 national reform programmes.
[38] This indicator is calculated on the basis of EES monitoring indicator 21.M2
[39] These indicators are those proposed by EMCO and for which data are available in the EES indicators set. All data are from 2006. Some of the indicators, i.e. 'Transitions by type of contract' are left out, as it is not yet clear how they will be calculated. Others, i.e. 'Care of dependant elderly', are omitted because there is only data for one or two of the five countries.
[40] Share of adults still unemployed after 12 months who have not been offered intensive counselling and job-search assistance. This indicator is drawn from EES 19.M2.

	and characteristics. According to PES monitor[41] key tasks of AMS are to: ▪ Place suitable workers in jobs. ▪ Help eliminate obstacles to placements. ▪ Take measures to improve labour market transparency. ▪ Reduce disparities between labour supply and demand. ▪ Provide subsistence income to the unemployed. Both the labour market promotion Act (AMFG) and the Public Employment Service Act (AMSG) are public service laws. There is a right to receive unemployment benefits under certain conditions and basic services (registering, information, advising, counselling etc) but no enforceable legal entitlement to all other forms of active labour market policy (training, wage-subsidies, etc). Current ALMP aims at preventing unemployment and keeping unemployment spells short. Important measures are occupational training, further education, job creation and structural adjustment initiatives as well as providing employment subsidies to assist with reintegration into the labour market. The reception of unemployment benefits can be made conditional upon activation either by employment or by training. One-stop-shops aims to facilitate access to basic means tested social security benefits and encourage labour market integration for uninsured groups. The aim is to make upskilling and retraining accessible to all groups.
Reliable and responsive lifelong learning	Flexicurity indicators, Lifelong Learning Systems ▪ Public spending on education, % of GDP[42]: 5.44 % ▪ Investment by enterprises in training of adults, % of labour costs 1.4 % ▪ Participation in lifelong learning (age 25-64), share of adult population: 13.1 % ▪ Participation in continuous vocational training, share of employees: 33 % ▪ Transitions into work, % of total transitions[43]: 72 % In 2006, a wide-ranging consultation project resulted in an expert paper with 'Guidelines for a coherent LLL strategy for Austria until 2010'. *Role of PES:* The AMS makes a considerable contribution to LLL. Training is a key part of the labour market promotion work, accounting for approximately 67% of the AMS support budget. Low investment in individual training by companies, especially at SME level, is addressed by ESF co-funded AMS measures such as funding of in-house training of employees as well as 'qualification consultancy' for companies.
Modern social security system	Flexicurity indicators, Social Security Systems ▪ LMP expenditure on supports per person wanting to work: € 5,740 ▪ LMP expenditure on supports, % of GDP: 1.30 % ▪ Unemployment trap (marginal effective tax rate on labour income): 67.00 % ▪ Low wage trap (Couple with two children)[44]: 64.00 %

[41] PES Monitor, www.pesmonitor.eu, is a web-based service supported by the European Commission which at present contains comparable data from 22 European PES. The data is provided and maintained by the PES them self.
[42] Data from 2005
[43] Based on EES monitoring indicator 17.A4, 2001 data.
[44] The "Low Wage Trap" provides information on the financial consequences for an employed person when increasing his/her work effort and thus his/her wages. It compares a person's financial situation while employed, both in the initial and changed situation, focusing on the net gain from the increased work effort. It is measured as a marginal effective tax rate

	▪ Share of children 0 – 2 years in daycare: 1 % ▪ Difference between the employment rates of women with no children and mothers of children aged 0 – 6: 17.7 percentage points ▪ In-work–poverty risk (% of population working and with < 60% median disposable income): 6 % ▪ Adults living in jobless households (% of adults 18-59 years)[45]: 7.6 Austria is characterised by an insurance based social security system with some universal elements. Since 1993, a clear trend towards cutbacks has been evident in the unemployment insurance system. Replacement rates were reduced, family supplements were curtailed, and control and sanctions were tightened. The net replacement rate of the unemployment insurance is 55% irrespective of the level of former earnings (up to a certain ceiling). With 76 % (2003) a comparatively high proportion of employees have access to unemployment benefits or unemployment assistance. Present reforms aim at increasing the access to comprehensive social protection for freelancers and self-employed. The Social Partners were closely involved in the introduction of a new severance pay scheme in 2002 in which the previous benefit system was replaced by a more modern system. Employers now pay ongoing contributions of 1.53% of the employees' salary to an independent fund (Mitarbeitervorsorgekassen) to finance future severance pay entitlements. The level of contributions from employers where reduced but the reform also had some advantages for employees. For instance, the new scheme permits the portability of the entitlements between jobs, and this should enable more job mobility. A major reform is on the way in the field of minimum social income policy including a rise of the demand-oriented minimal social protection as well as the introduction of a minimum wage of € 1.000,-. The funds for social security and poverty reduction is increasing by a total of €1.2 billion by 2010. The monthly minimum pension rose to €726 (14 times a year) as of 1 January 2007.

showing which part of such a financial gain is 'taxed away' by the combined effects of higher taxes and reduced or lost benefits.

[45] 2007 figures. Source: Social Protection Committee (2008)

2. Denmark: Social Partnership in employment policy

General labour market performance, 2007	Employment rate: 77.1 % Employment rate 15-24: 65.3 % Inactivity rate: 18.8 %
Flexible contractual arrangements	Flexicurity indicators, Contractual arrangements ▪ Persons not working in involuntary fixed-term or part-time: 83.9 % of persons in employment. ▪ Employees with overtime work: 6.1 % The Danish labour market is characterised by *extensive flexibility*. The right of Danish employers to hire and fire workers goes back to the September Settlement of 1899 (external numerical flexibility). The considerable level of *numerical flexibility* is closely related to a *high turnover* in the labour market. *Internal numerical flexibility* in terms of flexible working hours has become more widespread with the collective agreements of 1995 and 1998. Examples of *combination security* are parental leave, job-rotation and leave for education. The regulation concerning flexibility is primarily regulated by collective agreements.
Active Labour Market Policies	Flexicurity indicators, Active Labour Market Policies ▪ Expenditure on LMP-measures per person wanting to work: n.a[46]. ▪ Expenditure on LMP-measures as % of GDP: n.a. ▪ Participants in active measures per 100 persons wanting to work: n.a ▪ Preventative services, adults: 3.0 % Active Labour Market policies are administered by the Danish Labour Market Authority under the Ministry of Employment. The practical work of activation is *decentralised* to the 97 municipalities in *one-stop-shop 'Jobcentres'* for both insured and uninsured jobseekers. The Jobcentres are responsible for *registration of unemployed, recruitment of labour for employers, arrangement of job-brokerage and contract negotiation, development of individual job plans etc*. The reception of unemployment benefits is *conditional upon activation* either by employment or by training/education.
Reliable and responsive lifelong learning	Flexicurity indicators, Lifelong Learning Systems ▪ Public spending on education, % of GDP: 8.28 % ▪ Investment by enterprises in training of adults. % of labour costs: 2.7 % ▪ Participation in lifelong learning (age 25-64), share of adult population: 29.2 % ▪ Participation in continuous vocational training, share of employees: 35 % ▪ Transitions into work, % of total transitions: 82 % The downside of the high level of flexibility and job mobility in the Danish labour market is that companies are *less inclined to invest in individual training*. To some extent this is remedied by a *state supported adult education and training system*. The *social partners* have a vital role in *prioritising and organising the training programmes* and this ensures reliability and responsiveness of the system. PES role: The adult education system is used for activation of unemployed, particularly where these are seen to lack basic vocational qualifications.
Modern social security system	Flexicurity indicators, Social Security Systems ▪ LMP expenditure on supports per person wanting to work: n.a.

[46] Data not available in the EES indicator compendium

	▪ LMP expenditure on supports as % of GDP n.a. ▪ Unemployment trap (marginal effective tax rate on labour income): 91.00 % ▪ Low wage trap (Couple with two children): 92.00 % ▪ Share of children 0 – 2 years in daycare: 66 % ▪ Difference between the employment rates of women with no children and mothers of children aged 0 – 6: 3.4 % ▪ In-work–poverty risk (% of population working and with < 60% median disposable income): 5 % ▪ Adults living in jobless households (% of adults 18-59 years): n.a. In general, there is a mutual understanding amongst the social partners that *employment security* is more important than job security. The *insurance based unemployment benefit system* dates back to 1907. The system has been modernised several times most notably in the 1960's where the generosity was extended and in the 1990's where active labour market policies became a vital part of the benefit system. Denmark has a *universal social security system* covering all uninsured citizens who have lived in Denmark for more than seven years (i.e. others are offered the considerably lower 'start assistance'). In 2001 the social insurance and social assistance system where blended into a *united public employment system* so that both type of recipients are now *met by demands of activation and employment.* Today, couples receiving social security benefits for more than two years have to document 300 hours of non-supported work pr. year or one of them will lose the social security assistance. Danish unemployment benefits are relatively generous creating a high level of *income security*. For the average income earner the replacement rate is 60% whereas lower income groups have a replacement rate of 80% and higher income groups of 40%. The number of people with unemployment insurance is decreasing particularly among the younger generation.

3. France: Internal flexibility

General labour market performance, 2007	Employment rate: 64.6 % Employment rate 15-24: 31.5 % Inactivity rate: 29.8 %
Flexible contractual arrangements	Flexicurity indicators, Contractual Arrangements ▪ Persons not working in involuntary fixed-term or part-time: 77.8 % of persons in employment. ▪ Employees with overtime work: 2.3 % France has a low turnover in the labour market but the number of annually created jobs has grown during the last couple of years. The strict employment legislation implies that enterprises are cautious on hiring new labour while job seekers have a hard time finding new employment, and hence there is not much numerical flexibility. This is also reflected in the above EU average unemployment rate of 7.9% and 24% for youth in 2006 (OECD numbers). To bypass the strict employment legislation employers are often using atypical contractual agreements. Employers seek to increase the external numerical flexibility by hiring part-time labour and labour on fixed-term contracts. In 2005 the New Recruitment initiative allowed small enterprises with less than 20 employees to terminate a labour contract without providing the employee with reasons. France is now addressing the challenges by a number of reforms which should contribute to the development of a more flexicurity like system. In January 2008 an agreement was made between the Government and the Social Partners on working towards a flexicurity model. The agreement includes making entry into enterprises easier and improving contractual matters. In the summer of 2008 the French Senate passed a law permitting unions and enterprises to make individual agreements which circumvents the 35 hours working week thus enabling internal flexibility of the enterprises.
Active Labour Market Policies	Flexicurity indicators, Active Labour Market Policies ▪ Expenditure on LMP-measures per person wanting to work: € 3,313 ▪ Expenditure on LMP-measures as % of GDP: 0.68 ▪ Participants in active measures per 100 persons wanting to work: 54.6 ▪ Preventative services 2.9 ALMP has increased considerably over the last 7 years. France has introduced mandatory activation measures with the back-to-work agreements. The job seekers have an interview with PES just after registering as unemployed, and another interview is scheduled for six months later. In the event of redundancies, workers are offered personalised training. ALMP is increasingly the responsibility of other service providers particularly in the case of 'individualised pathways to work'. Currently, the French PES is undergoing a major reform and merger (Robin 2008). The new national public organisation, 'France emploi', will be a legal entity and will also be financially independent. It will have six tasks, namely to: ▪ examine the labour market; ▪ be the contact point for jobseekers, as well as inform, guide and support them in their job search; ▪ register jobseekers;

	▪ provide unemployment benefits and welfare benefits (aide de solidarité); ▪ collect, process and disseminate data, as well as make these available; ▪ help and support jobseekers in cooperation with local authorities. The new institution, which is the result of the merger of a national public body – ANPE – and a national bipartite body – UNEDIC – will have a board that is composed of representatives of the state and the social partners supplemented with two experts and a representative of the local authorities. The board's role will be to set guidelines for issues like: ▪ profile of jobseekers, who have priority in receiving help from the single operator; ▪ objectives to be achieved regarding services provided for jobseekers and evaluation criteria. ▪ the development of the new agency's local organisation. Not only the single operator resulting from the ANPE–UNEDIC merger is involved, but also state services responsible for employment and gender equality in employment, such as the National Adult Vocational Training Organisation (Association nationale pour la formation professionnelle des adultes, AFPA) and town councils.
Reliable and responsive lifelong learning	Flexicurity Indicators, Lifelong Learning Systems ▪ Public spending on education, % of GDP: 5.67 % ▪ Investment by enterprises in training of adults. % of labour costs: 2.3 % ▪ Participation in lifelong learning (age 25-64), share of adult population: 7.5 % ▪ Participation in continuous vocational training, share of employees: 46 % ▪ Transitions into work, % of total transitions: 65 % In 2004 France saw the introduction of individual right to training for *employed job seekers* whereas unemployed job seekers do not have such rights. However, the right is not based on an assessment of individual needs: each individual has the right to 20 hours of training no matter what are the needs of the individual. France has extensive collective bargaining on lifelong learning for workers.
Modern social security system	Flexicurity indicators, Social Security Systems ▪ LMP expenditure on supports per person wanting to work: € 6,778 ▪ LMP expenditure on supports as % of GDP.1.39 % ▪ Unemployment trap (marginal effective tax rate on labour income): 81.00 % ▪ Low wage trap (Couple with two children): 56.00 % ▪ Share of children 0 – 2 years in daycare: 17 % ▪ Difference between the employment rates of women with no children and mothers of children aged 0 – 6: 9.7 percentage points ▪ In-work–poverty risk (% of population working and with < 60% median disposable income): 6 % ▪ Adults living in jobless households (% of adults 18-59 years): 10.9 % France has several social security rights and high level of benefits for labour market insiders. However, many benefits are not transferable between jobs. As such the French system is most aptly described as one with *job security* rather than *employment security.* The *benefit system* is mainly *insurance-based.* The scope for eligibility of unemployment benefits has recently been widened.

4. The Netherlands: Contracting out to ensure system flexibility

General labour market performance, 2007	Employment rate: 76.0 % Employment rate 15-24: 68.4 % Inactivity rate: 21.5 %
Flexible contractual arrangements	Flexicurity indicators, Contractual Arrangements ▪ Persons not working in involuntary fixed-term or part-time: 74.1 % of persons in employment[47]. ▪ Employees with overtime work: 8.2 % Dutch flexicurity policies have been developed rather deliberately and aim at the normalisation of atypical work while preserving flexibility in the labour market. Flexicurity is codified the Flexibility and Security Act and in collective labour agreements for the temporary work agency sector. Workers can adjust their annual working-hours according the Adjustment of Working Hours Act. Especially women work part-time, allowing them to combine work, care and leisure (75% of women work part-time in the Netherlands compared to 31% in the EU). However, this also tends to harm the career prospects and wage levels of women vis-à-vis men. The system of dismissal protection is fairly strict for labour market insiders and more relaxed for outsiders. The PES/CWI plays a vital role in the event of dismissals as the current system requires a company to gain permission from the PES/CWI or the file a request at the lower courts (kantonrechter) before a worker is dismissed. Companies increase their external flexibility, by hiring additional workers on temporary contracts or via employment agencies. These flexible work forces are often representatives from more vulnerable groups, such as young people, ethnic minorities and the low skilled. Moreover, there is a steady rise of self-employed workers. The Flexibility and Security Act offered employers a more flexible use of temporary workers and shortened the statutory notice period for dismissals. The act also entailed improvements for flexible workers by granting the right to permanent contracts after three consecutive temporary contracts.
Active Labour Market Policies	Flexicurity indicators, Active Labour Market Policies ▪ Expenditure on LMP-measures per person wanting to work € 3,542 ▪ Expenditure on LMP-measures as % of GDP: 0.75 ▪ Participants in active number per 100 persons wanting to work: 56.6 ▪ Preventive services, adults: n.a. The organisation of PES in the Netherlands is laid down in the Act *SUWI (Wet Structuur Uitvoeringsorganisatie Werk en Inkomen)*. The CWI (Central Organisation Work and Income) cooperates with two other important organisations. The first is the *UWV, Public Employees' Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen)* that provides (former) employees with benefits and facilitates reintegration in the labour market. The second is the social services of municipalities that provide welfare to people and facilitate (re-)integration in the labour market. A preventive approach is applied meaning that in the PES philosophy finding a job is more important than providing income (benefits) to people. Moreover, the cooperation of the different organisations within the system and the improvement of the reintegration

[47] This indicator is calculated on the basis of EES monitoring indicator 21.M2

	market must lead to more efficiency and effectiveness. The receipt of benefits is usually linked to the duty to search for a job or to follow some kind of activation programme. To this end people might receive assistance in job searches or are stimulated to enter a training trajectory. The CWI is now the first stop for anyone desiring work or benefits, and only after the CWI finds a person eligible for benefits, it will redirect this person either to the UWV or the municipality, depending on the type of benefit that is required. Goals of CWI: - enhance labour market transparency; - raise labour market participation, support transitions from unemployment to employment and job-to-job transitions - client focus, effective, innovating and future based services The cooperation between CWI, UWV and the municipalities will be enhanced, as they will jointly form *LWI*s: *Location for Work and Income* as off January 1st 2009.
Reliable and responsive lifelong learning	Flexicurity indicators, Lifelong Learning Systems ▪ Public spending on education, % of GDP: 5.19 % ▪ Investment by enterprises in training of adults, % of labour costs: 2.0 % ▪ Participation in lifelong learning (age 25-64), share of adult population: 15.6 % ▪ Participation in continuous vocational training, share of employees: 34 % ▪ Transitions into work, % of total transitions: 76 % Although the overall investment and participation in lifelong learning might seem satisfactory, there is ample room for improvement. Currently, employees who need training the most (older workers; low skilled), participate less often in training. Training systems do not adequately facilitate combinations of work and training, especially for those workers who prefer to learn on the job rather than in a formal educational setting. An adequate infrastructure for implementing lifelong learning on the work floor is still lacking. For both older-aged permanent staff and flexible employees (those with a temporary contract and the self-employed) there is too little investment in employability. Interesting developments concern the accreditation of prior learning, recognizing competences gained through formal, informal or non-formal learning. There are also sectoral funds for training financed by companies, which may finance the training of employees.
Modern social security system	Flexicurity indicators, Social Security Systems ▪ LMP expenditure on supports per person wanting to work: € 6,956 ▪ LMP expenditure on supports, % of GDP: 1.47 % ▪ Unemployment trap (marginal effective tax rate on labour income): 86.00 % ▪ Low wage trap (Couple with two children): 77.00 % ▪ Share of children 0 – 2 years in daycare: 4 ▪ Difference between the employment rates of women with no children and mothers of children aged 0 – 6: 8.1 percentage points ▪ In-work–poverty risk (% of population working and with < 60% median disposable income): 4 % ▪ Adults living in jobless households (% of adults 18-59 years): 6.5 % The Dutch public social security system can be subdivided as follows. Firstly, there are the national insurances that apply to all Dutch citizens, such as the General Old Age Pensions Act (AOW). Contributions to these provisions are

	compulsory and are financed from national government funds. Secondly, the employee insurances, such as Unemployment Insurance (WW) and Disability Benefits (WIA). The WW has a replacement rate of 75% of the daily wages in the first 2 months of unemployment, after that 70% (with a maximum of 179.90 Euros per day). These insurances cover all employees under 65 and are compulsory and primarily funded by social premiums deducted from wages. This is likely to be changed, as the social partners and the government reached an agreement in the autumn of 2008 reducing the unemployment premiums in wages to zero. Thirdly, there is the social assistance (welfare) system financed by general taxation. The amount of the allowance is means tested. Since many social security provisions are attached to a permanent job temporary workers profit less from these provisions than permanent workers. *The role of PES* The CWI has several tasks. The first is taking care of the applications of jobseekers or persons applying for benefits and judge if someone is capable of finding employment on his or her own or if a person requires help. CWI may decide (jointly with UWV and the municipalities) that financial incentives for employers are necessary in order to increase someone's changes of getting employment. Another task is to prevent the inflow into a social security scheme and/or to make sure that people leave the benefit schemes quickly. The CWI can for instance play the role of mediator between a vacancy and a jobseeker or make sure that people enter a trajectory in which learning and working are combined. The UWV mainly manages the employees' insurances, among others the unemployment benefits and disability benefits. It tries to help people back to work, it judges with the help of medical examiners if a person is 'fit' to work or should (partially) have a disability benefit. The municipalities are responsible for the welfare recipients. This is a relatively new tasks for municipalities, which was assigned to them with the enforcement of the Act Work and Welfare in 2004 (*WWB, Wet Werk en Bijstand*). Municipalities now manage welfare budgets themselves and are responsible for any budgetary exceeding. As such they have a strong financial incentive to help people back to work. In general, the reintegration services are delivered by private companies. These companies have to bid on tenders by municipalities and by the social insurance board.

5. *Slovenia: Legislative reforms aid flexicurity*

General labour market performance, 2007	Employment rate: 67.8 % Employment rate 15-24: 37.6 % Inactivity rate: 28.7 %
Flexible contractual arrangements	Flexicurity indicators, Contractual Arrangements ▪ Persons not working in involuntary fixed-term or part-time: 77 % of persons in employment. ▪ Employees with overtime work: 8.2 % Following the flexicurity approach, employment relationship regulations have been changed (November 2007, adopted in Parliament). These changes include: 'improvement of the internal flexibility by enabling employment according to the type of work; expanding the legal basis for the use of flexible forms of employment; devising a clearer and more efficient regulation of giving notice (this includes shortening the period of notice and regulating the right to severance pay in the event that the employee continues to be employed by another employer); and additional incentives for the reconciliation of work and private life'(NRP Implementation Report 2007). Workers' mobility: Employment of EU citizens (including Romanian and Bulgarian citizens) is completely free in Slovenia. Undeclared work is combated with various means (Prevention of Illegal Work and Employment Act, 2006), e.g. the introduction of 'small work' contracts, the phasing our of payroll taxes. While fixed term contracts are among the highest among the new member states, part time employment remains below EU average. Various forms of flexible employment are affecting the younger workforce more than other age groups. Employment protection: the new Employment Relationship Act (2003) moderately reduced job security and introduced stricter rules for fixed-term employment contracts. The Act also provides the legal basis for part-time employment and home work and a reciprocal liability of both the employee and employer for education and training. In 2007, the Labour Relationship Act was amended, shortening the notice period for certain groups of workers.
Active Labour Market Policies	Flexicurity indicators, Active Labour Market Policies ▪ Expenditure on LMP-measures per person wanting to work: € 501 ▪ Expenditure on LMP-measures as % of GDP: 0.17 % ▪ Participants in active measures per 100 persons wanting to work: 21.7 % ▪ Preventative services, adults: n.a. Main Active Labour Market measures are: Counselling and brokerage services: Employment Plans are designed by the Employment Service of Slovenia (ESS) for over 90% of the newly registered unemployed within a period of 2 months after registration. ESS is in charge of implementing ALMP which involves external providers, employers and non-profit organisations. The programmes consist of 4 types of measures: i) vocational counselling and job-search assistance; ii) training and education; iii) promotion of employment and self-employment; and iv) programmes for improving social inclusion. The government is increasingly focus on removing people from inactive to active benefits.
Reliable and respon-	Flexicurity indicators, Lifelong Learning Systems ▪ Public spending on education, % of GDP: 5.83 %

sive lifelong learning	▪ Investment bu enterprises in training of adults. % of labour costs: 2.0 % ▪ Participation in lifelong learning (age 25-64), share of adult population: 15.0 % ▪ Participation in continuous vocational training, share of employees: 50 % ▪ Transitions into work, % of total transitions: n.a. The 'Human Resources and Scholarship Fund' that was recently established by the Government is expected to play a key role in HRD and being an important part of the flexicurity triangle. The education and training system has been reformed with remarkable results. Among the programmes and approaches are: the introduction of an assessment and qualification system for informal qualifications (NVQ) and two career guidance and counselling systems, both for the unemployed population (ESS) and for adults in general (National Institute for Adult Education). Reform of the VET system is ongoing. A comprehensive lifelong learning strategy was put forward for discussion in 2007. According to the PES/ESS the social partners tend to overlook issues of lifelong learning, particularly the importance of on-the-job training. Slovenia has some bottleneck problems indicating that unemployment is structural rather than merely related to the business cycle.
Modern social security system	Flexicurity indicators, Social Security Systems ▪ LMP expenditure on supports per person wanting to work € 1,120 ▪ LMP expenditure on supports, % of GDP: 0.39 % ▪ Unemployment trap (marginal effective tax rate on labour income): 94.09 % ▪ Low wage trap (Couple with two children): 72.59 % ▪ Share of children 0 – 2 years in daycare: 26 % ▪ Difference between the employment rates of women with no children and mothers of children aged 0 – 6: -5.5 percentage points ▪ In-work–poverty risk (% of population working and with < 60% median disposable income): 5 % ▪ Adults living in jobless households (% of adults 18-59 years): 6 % Unemployment insurance is administered and paid by the ESS (unemployment benefits and unemployment assistance) and financed by employees and employers' contributions and – to a larger part - from the national budget. Under the amendments to the Employment and Insurance against Unemployment Act (2006), financial assistance for unemployment and financial social assistance have been merged into one simplified procedure. The databases of the centres for social work and the ESS were linked.

Annex 3: Survey methodology

Web-based survey among national PES directors

A web-based modular survey has been conducted among all national PES directors in EU, Norway, Liechtenstein and Iceland. The national PES directors were identified by combining a list provided from the European Commission, Directorate-General for Employment, Social Affairs, and Equal Opportunities and the WAPES website. An e-mail describing the survey and containing a link was send to all the directors and their assistants. All respondents were offered to contact DTI per e-mail or direct telephone in the case they needed clarifications or had any questions to the questionnaire. 4 countries used this opportunity.

The survey uses the online software programme enalyzer (enalyser.com). Enalyzer provides the opportunity to send out surveys electronically, control response rates, re-launching surveys and finally to analyse data.

The questionnaire used for the survey is based on the analytical framework presented in chapter 3. The majority of the questionnaire contains closed questions where the respondent is asked to reply whether a service is provided in the country in question. After each section of questions the respondent was provided the opportunity to write additional comments. The respondents were also invited to mention good practice cases, and the majority of the good practice cases in the study were selected through this procedure. The full questionnaire is displayed in annex 4.

26 out of 30 countries have replied with *valid responses*. The responses from Spain and Luxembourg have been discarded because the responses were not valid. The Spanish PES did not represent the regions, and subsequently questionnaires were sent out to the Spanish regions. However, none of these replied. All Belgian regions were invited to participate and responses were received from the Flemish and Walloon Regions. In the survey the responses only count as one country because it would mix up the overall picture to do otherwise – and the two regions have given similar responses to the closed questions. The answers to the open questions have been included for both regions. A full list of the countries and their response status is listed in the table below.

Country	Discarded	Not replied	Replied
Austria			**X**
Belgium			**X**
Bulgaria			**X**
Cyprus			**X**
Czech Republic			**X**
Denmark			**X**
Estonia			**X**
Finland			**X**
France			**X**
Germany			**X**
Greece			**X**
Hungary			**X**
Iceland			**X**

Ireland			**X**
Italy			**X**
Latvia			**X**
Liechtenstein		X	
Lithuania			**X**
Luxemburg	X		
Malta			**X**
Netherlands			**X**
Norway			**X**
Poland			**X**
Portugal			**X**
Romania			**X**
Slovakia		X	
Slovenia			**X**
Spain	X		
Sweden			**X**
United Kingdom			**X**
Total	2	2	**26**
Total response rate			**87%**

The response rate is 26/30 countries or 86,66%. Initially, after the first round of the survey in June 2008, only 19 countries had replied. Subsequently, the non-responding countries have received reminders per e-mail and telephone throughout the summer, and more countries responded. The last responses to the survey were received as late as mid-October and the data was incorporated in the report. Using enalyzer makes it relatively easy to do so because it is always possible to download a new version of the data results. For the countries which have still not replied we have used data from PES Monitor (www.pesmonitor.eu) and desk research.

The responses are perceived as relatively valid. For each country a consultant has run through the responses to see whether the responses made sense. This was the process which resulted in discarding Luxembourg and Spain's responses. The validity of the responses has been cross-checked with existing knowledge of the project team (representing several EU countries), PES Monitor data and desk research. However, the study does somewhat depend on PES directors and assistants having responded to the survey in a true and earnest way. We have attempted to use several sources to enhance the validity but since it is not possible to control all the details of each response it is important to keep in mind that the survey data reflects the role of PES as seen from PES' own perspective.

Web-based survey among key stakeholders cooperating with PES

This survey has been conducted among the key stakeholders cooperating with PES on the actual delivery of employment services. The stakeholders have been identified with the help pf the national PES directors who have been asked to provide DTI with a list of the five most important stakeholders cooperating with PES on the delivery of national employment services. Not all countries provided names and contact details of stakeholder and several reminders were sent in order to a full list of stakeholders. 153 questionnaires were sent out in June 2008 using the same web-based software as described above.

The purpose of this survey is to explore the nature of the relationship between PES and its stakeholders as described in the analytical framework. A full version of the questionnaire is attached in annex 4.

Unfortunately, only 39 stakeholders have responded which leaves us with a response rate of 25%. The initial response rate was even lower at 25 responses and the stakeholders have been reminded per e-mail and telephone throughout the summer.

The low response rate implies that the quantitative responses can only be taken as indicative and combined with other data. We have used the survey results in combination with other data on the issue of cooperation between PES and other service providers. This is possible because much of the data on these issues can be crosschecked with survey results from the PES survey and PES Monitor. However, as regards the provision of services we have chosen not to use the data because we consider responses from 39 stakeholders across 30 different countries to be too little. The data will be included in the final report if the response rate goes up. The qualitative responses to the open questions in the questionnaire have nevertheless been useful to qualify the responses from PES on the issue of cooperating with other service providers.

Annex 4: Survey questionnaires

PES questionnaire

1. You and your organisation

1.1. Contact information

Your name:

_ _

Contact telephone number for further information:

_ _

1.2. Is your organisation responsible for the administration of unemployment benefits in your country?

(One response only)

- ❑ Yes
- ❑ No

1.3. Is your organisation responsible for the administration of other social or welfare benefits in your country?

(One response only)

- ❑ Yes
- ❑ No

1.4. To what extent do any of the following factors act as a barrier or aid in moving individuals from welfare into work in your country?

(Only one response pr. service)

	Strong barrier	Marginal barrier	Neither a barrier or an aid	Marginal aid	Strong aid	Not relevant/not used
Inactive unemployment benefits	❑	❑	❑	❑	❑	❑
Unemployment benefits conditional upon participation in active measures	❑	❑	❑	❑	❑	❑
Unemployment benefits NOT conditional upon participation in active measures	❑	❑	❑	❑	❑	❑
Employment Regulation	❑	❑	❑	❑	❑	❑
Education system	❑	❑	❑	❑	❑	❑
Adult/Further education and training system	❑	❑	❑	❑	❑	❑
Wages in the labour market	❑	❑	❑	❑	❑	❑
Employer behaviour in recruitment and management	❑	❑	❑	❑	❑	❑

Other factors

_____

_____

_____

1.5. If the Public Employment Service in your country is to improve its delivery of services, which of these factors are important?

(Only one response pr. service)

	Very important	Fairly important	Not important	Not relevant
More qualified staff	❑	❑	❑	❑
Greater number of staff	❑	❑	❑	❑
More performance management	❑	❑	❑	❑
More decentralisation of management to local/regional level	❑	❑	❑	❑
More integration of employment services with other public services	❑	❑	❑	❑
Changed public image of the PES with job seekers/inactive beneficiaries	❑	❑	❑	❑
Labour market information system	❑	❑	❑	❑
Larger investment in ICT	❑	❑	❑	❑

Other factors

_ _

_ _

_ _

1.6. Please identify up to 3 aspects of your own internal systems, practices and resources which you think count as good practice.

What is the example?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

_ _

Example 2

_ _

Example 3

_ _

The subsequent four sections each focuses on one of these target groups:

• Unemployed job seekers, who are not working but who are able to work and are actively seeking work
• Employed job seekers
• Inactive people, ie. people who are not actively seeking work because of caring responsibilities or sickness/ill-health.
• Employers

2. Services provided to individuals

2.1. Services to unemployed job seekers

2.1.1. In your country, is the receipt of state unemployment benefits dependent upon the participation in employment programmes or the use of particular services?

(One response only)

- ❑ Yes
- ❑ No

2.1.2. If yes, please specify the main criteria:

_ _

2.1.3. Does your organisation provide any of the following services to unemployed job seekers who are able to work and who are actively seeking work?

(Only one response pr. service)

	No	Yes, to all unemployed job seekers	Yes, to selected groups of unemployed job seekers	Planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑	❑
Employer notified vacancy information	❑	❑	❑	❑
Employer notified vacancy information through on-site computer terminals	❑	❑	❑	❑
Employer notified vacancy information through website	❑	❑	❑	❑
Job search assistance (helping people to search and identifying sources of vacancies)	❑	❑	❑	❑
Group activities (such as 'job clubs' or workshops)	❑	❑	❑	❑
Vocational/Careers advice	❑	❑	❑	❑
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑

Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	❑	❑	❑	❑
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	❑	❑	❑	❑
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑	❑
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑	❑
Health promotion programmes (medical checks, health or fitness programmes)	❑	❑	❑	❑

Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	❑	❑	❑	❑
Job broking (helping unemployed people to find and apply for appropriate vacancies)	❑	❑	❑	❑
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	❑	❑	❑	❑
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	❑	❑	❑	❑
Job creation programmes (public sector work programmes)	❑	❑	❑	❑
Temporary work trials/placements	❑	❑	❑	❑

2.1.4. Please tell us about any other services that you provide to unemployed job seekers which are not mentioned in Question 2.1.3.

_ _

2.1.5. What are the main selecting/targeting criteria for those services that are only provided for selected groups of unemployed job seekers?

_ _

2.1.6. Please identify up to 3 services which you think are examples of particularly good practice in relation to helping unemployed job seekers to find work

What is the service?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

_ _

Example 2

_ _

Example 3

_ _

2.2. Services provided to employed job seekers

2.2.1. Does your organisation provide any of the following services to employed job seekers?

(Only one response pr. service)

	No	Yes, to all employed job seekers	Yes, to selected groups of employed job seekers	Planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑	❑
Employer notified vacancy information	❑	❑	❑	❑
Employer notified vacancy information through on-site computer terminals	❑	❑	❑	❑
Employer notified vacancy information through website	❑	❑	❑	❑

Job search assistance (helping people to search and identifying sources of vacancies)	❑	❑	❑	❑
Group activities (such as 'job clubs' or workshops)	❑	❑	❑	❑
Vocational/Careers advice	❑	❑	❑	❑
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	❑	❑	❑	❑
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and inter-	❑	❑	❑	❑

view performance)				
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑	❑
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑	❑
Health promotion programmes (medical checks, health or fitness programmes)	❑	❑	❑	❑
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	❑	❑	❑	❑
Job broking (helping unemployed people to find and apply for appropriate vacancies)	❑	❑	❑	❑
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	❑	❑	❑	❑
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	❑	❑	❑	❑
Job creation programmes (public sector work programmes)	❑	❑	❑	❑

Temporary work trials/placements	❑	❑	❑	❑

2.2.2. Please tell us about any other services that you provide to employed job seekers which are not mentioned in Question 2.2.1.

_ _

2.2.3. What are the main selecting/targeting criteria for those services that are only provided for selected groups of employed job seekers?

_ _

2.2.4. Please identify up to 3 services which you think are examples of good practice in relation to helping employed job seekers to find work

What is the service?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

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Example 2

_ _

Example 3

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2.3. Services provided to inactive people

2.3.1. Is the receipt of state inactive benefits dependant upon the participation in any kind of employment-related programmes or the use of particular services?

(One response only)

- ❑ Yes
- ❑ No

1. 2.3.2. If yes, please specify the conditionality:

_ _

2.3.3. Does your organisation provide any of the following services to inactive people? By inactive people we mean people who are not actively seeking work because of caring responsibilities or sickness/ill-health.

(Only one response pr. service)

	No	Yes, to all inactive people	Yes, to selected groups of inactive people	Planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑	❑
Employer notified vacancy information	❑	❑	❑	❑
Employer notified vacancy information through on-site computer terminals	❑	❑	❑	❑
Employer notified vacancy information through web-site	❑	❑	❑	❑
Job search assistance (helping people to search and identifying sources of vacancies)	❑	❑	❑	❑
Group activities (such as 'job clubs' or workshops)	❑	❑	❑	❑

Vocational/Careers advice	❑	❑	❑	❑
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑	❑
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	❑	❑	❑	❑
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	❑	❑	❑	❑
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑	❑
Referral to free (publicly funded)	❑	❑	❑	❑

external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)				
Health promotion programmes (medical checks, health or fitness programmes)	❑	❑	❑	❑
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	❑	❑	❑	❑
Job broking (helping unemployed people to find and apply for appropriate vacancies)	❑	❑	❑	❑
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	❑	❑	❑	❑
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	❑	❑	❑	❑
Job creation programmes (public sector work programmes)	❑	❑	❑	❑
Temporary work trials/placements	❑	❑	❑	❑

2.3.4. Please tell us about any other services that you provide to inactive people which are not mentioned in Question 2.3.3.

_ _

2.3.5. What are the main selecting/targeting criteria for those services that are only provided for selected groups of inactive people?

_ _

2.3.6. Please identify up to 3 services which you think are examples of particularly good practice in relation to helping inactive people to find work

What is the service?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

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Example 2

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Example 3

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3. Services provided to employers

3.1. Does your organisation provide any of the following services to employers?

(Only one response pr. service)

	Yes	No	No, but planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑

Advice on vacancy advertising	❑	❑	❑
Advice on recruitment and retention problems	❑	❑	❑
Job creation programmes (public sector work programmes)	❑	❑	❑
Work trials or subsidised temporary placements	❑	❑	❑
Vacancy advertising	❑	❑	❑
Matching services to identify potential recruits/applicants	❑	❑	❑
Pre-screening services for applicants	❑	❑	❑
Pre-employment training/employability programmes targeted to specific employers/sectors	❑	❑	❑
Interviewing/recruitment services	❑	❑	❑
Jobs/Recruitment fairs (events where several employers can attend to meet prospective applicants)	❑	❑	❑
Workforce health promotion programmes (medical checks, health or fitness programmes)	❑	❑	❑
Programmes to overcome employer resistance to employing disadvantaged or longer-term unemployed/inactive people	❑	❑	❑
Advice/support in managing a diverse workforce (e.g. workers of different ethnicities, genders, ages, religious belief or sexual orientation)	❑	❑	❑

Advice/support in redundancy situations	❑	❑	❑

3.2. Please tell us about any other services that you provide to employers which are not mentioned in Question 3.1.1.

_ _

3.3. Please identify up to 3 services which you think are examples of particularly good practice in relation to employers

What is the service?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

_ _

Example 2

_ _

Example 3

_ _

4. Relationship to other employment service providers

4.1. Which of the following statements best describes the market your organisation operates in?

(One response only)

- ❑ We operate in a market with strong competition
- ❑ We operate in a market with some competition

- ❑ There is a market but there is little competition
- ❑ There is no market to speak of

4.2. Do you cooperate with other public organisations that provide employment services?

(One response only)

- ❑ Yes
- ❑ No - Go to 43

4.3. Who are the main public organisations that you cooperate with?

_ _

4.4. What types of services do you cooperate in relation to?

_ _

4.5. To what extent is your cooperation with other public organisations on the delivery of employment services formalised? (for example through national contracts versus on an ad-hoc basis)

(One response only)

- ❑ Very formalised
- ❑ Fairly formalised
- ❑ Little formalised
- ❑ Not formalised

Comments:

_ _

4.6. Is the level of cooperation with other public organisations providing employment services currently increasing, remaining the same or decreasing?

(One response only)

- ❑ Increasing

- ❑ Remaining the same
- ❑ Decreasing
- ❑ Don't Know

4.7. What impact does cooperation with other public organisations have on the opportunities to deliver early and preventive employment services? Do they improve, stay the same or worsen?

(One response only)

- ❑ Improve
- ❑ Stay the same
- ❑ Worsen
- ❑ Don't know

Why?

_ _

4.8. Do you cooperate with private organisations which provide employment services?

(One response only)

- ❑ Yes
- ❑ No – Go to 4.14.

4.9. Who are the main private organisations that you cooperate with?

_ _

4.10. What types of services do you cooperate in relation to?

_ _

4.11. To what extent is your cooperation with private organisations on the delivery of employment services formalised? (for example through national contracts versus on an ad-hoc basis)

(One response only)

- ❑ Very formalised
- ❑ Fairly formalised
- ❑ Little formalised
- ❑ Not formalised

Comments:

_ _

4.12. Is the level of cooperation with private organisations providing employment services currently increasing, remaining the same or decreasing?

(One response only)

- ❑ Increasing
- ❑ Remaining the same
- ❑ Decreasing
- ❑ Don't Know

4.13. What impact does cooperation with private organisations have on the opportunities to deliver early and preventive employment services? Do they improve, stay the same or worsen?

(One response only)

- ❑ Improve
- ❑ Stay the same
- ❑ Worsen
- ❑ Don't know

Why?

_ _

4.14. Do you cooperate with community/voluntary sector organisations providing employment services?

(One response only)

- ❑ Yes
- ❑ No – Go to 4.20

4.15. Who are the main community/voluntary organisations that you cooperate with?

_ _

4.16. What types of services do you cooperate in relation to?

_ _

4.17. To what extent is your cooperation with community/voluntary organisations on the delivery of employment services formalised? (for example through national contracts versus on an ad-hoc basis)

(One response only)

- ❑ Very formalised
- ❑ Fairly formalised
- ❑ Little formalised
- ❑ Not formalised

Comments:

_ _

4.18. Is the level of cooperation with community/voluntary sector organisations providing employment services currently increasing, remaining the same or decreasing?

(One response only)

- ❑ Increasing
- ❑ Remaining the same
- ❑ Decreasing
- ❑ Don't Know

4.19. What impact does cooperation with community/voluntary organisations have on the opportunities to deliver early and preventive employment services? Do they improve, stay the same or worsen?

(One response only)

- ❑ Improve
- ❑ Stay the same
- ❑ Worsen
- ❑ Don't know

Why?

_ _

4.20. What are the main advantages and challenges of working with other providers of employment services?

_ _

4.21. Please identify up to 3 services which you think are examples of good practice in relation to working with other providers of employment services

What is the service?
Why is this good practice?
Link/contact for any information about it?

Good practice is understood as practices which either contribute to more flexible labour markets or contribute positively to the security (income or employment security) of persons in the labour market.

Example 1

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Example 2

_ _

Example 3

_ _

5. Any other comments

5.1. Please provide any other information which you think is relevant to the research but is not covered in the questions above

_ _

Thank you very much for your participation in the survey!

If you want to change or add something to your answers, just click the button below.

Should you at a later stage wish to open the questionnaire again, just click the link provided in the original mail.

If you press "End survey" you will be directed to Danish Technological Institute´s website.

Stakeholder questionnaire

1. You and your organisation

1.1. Contact details

Your name:

_ _

Contact Telephone Number for further information:

_ _

1.2. Is your organisation in the public, private or community/voluntary sector?

(One response only)

- ❑ Public
- ❑ Private
- ❑ Community/Voluntary

Other

_ _

_ _

_ _

1.3. Would you describe your organization as any of the following?

(One response only)

- ❑ Employment Agency (making mainly long-term/permanent placements)

- ❑ Employment Agency (making mainly short-term (less than three months) placements)
- ❑ Training or education provider
- ❑ Local/regional government/municipality
- ❑ Business/Employer Representative (membership) organisation
- ❑ Trade union or worker representation organization

Other

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_ _

2. Your services

2.1. What services do you provide?

(Only one response pr. service)

	Yes	No	No, but planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑
Employer notified vacancy information	❑	❑	❑
Employer notified vacancy information through onsite computer terminals	❑	❑	❑
Employer notified vacancy information through website	❑	❑	❑
Job search assistance (helping people to search and identifying sources of vacancies)	❑	❑	❑
Group activities (such as 'job clubs' or work-	❑	❑	❑

shops).

Vocational/Careers advice	❑	❑	❑
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance).	❑	❑	❑
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance).	❑	❑	❑
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑

Health promotion programmes (medical checks, health or fitness programmes).	❑	❑	❑
Jobs/Recruitment fairs (events where inactive	❑	❑	❑
Job broking (helping unemployed people to find and apply for appropriate vacancies).	❑	❑	❑
Active job broking (pre-selection of suitable candidates from the register for particular vacancies).	❑	❑	❑
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	❑	❑	❑
Job creation programmes (public sector work programmes)	❑	❑	❑
Temporary work trials/placements	❑	❑	❑

2.2. Please tell us about any other services that you provide which are not mentioned in Question 2.1.

_ _

1.4. What is your organisation's main source of funding?

(One response only)

- ❑ Membership fees
- ❑ Public funding through contracts with the Public Employment Service
- ❑ Public Funding through the central government
- ❑ Public funding through regional/local government
- ❑ European Social Fund
- ❑ Private funds

Other

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_ _

2.3. Are any of these services provided in conjunction with the Public Employment Service?

(Only one response pr. service)

	Yes	No	No, but planned for the future
Systematic collection and provision of labour market information (vacancies/skills needs)	❑	❑	❑
Employer notified vacancy information	❑	❑	❑
Employer notified vacancy information through onsite computer terminals	❑	❑	❑
Employer notified vacancy information through website	❑	❑	❑
Job search assistance (helping people to search and identifying sources of vacancies)	❑	❑	❑
Group activities (such as 'job clubs' or workshops).	❑	❑	❑
Vocational/Careers advice	❑	❑	❑
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	❑	❑	❑

Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance).	❑	❑	❑
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance).	❑	❑	❑
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	❑	❑	❑
Health promotion programmes (medical checks, health or fitness programmes).	❑	❑	❑
Jobs/Recruitment fairs	❑	❑	❑
Job broking (helping unemployed people to find and apply for appropriate vacancies).	❑	❑	❑
Active job broking (pre-selection of suitable candidates from the register for particular vacancies).	❑	❑	❑
Automated/self-service job broking (matching of jobseekers to vacan-	❑	❑	❑

cies without interaction of PES staff)			
Job creation programmes (public sector work programmes)	❑	❑	❑
Temporary work trials/placements	❑	❑	❑

2.4. Please tell us about any other services that you provide in conjunction with the Public Employment Service which are not mentioned in Question 2.3.

_ _

2.5. Do you provide universal services open to everybody or do you target specific groups?

(One response only)

- ❑ Universal (anyone can use your services)
- ❑ Targeted (your services are only available to some)

2.6. Who are the main beneficiaries of your services?

(More responses are allowed)

- ❑ Inactive people
- ❑ Unemployed people
- ❑ People facing redundancy
- ❑ Employed people looking to change jobs
- ❑ People with low skills or requiring re-training
- ❑ People with barriers to employment (such as alcohol/drug dependency, mental/physical health or housing problems)
- ❑ People from ethnic minorities
- ❑ Women
- ❑ Young people (aged under 25)
- ❑ Older people (aged 50+)
- ❑ Migrants

Other

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_ _

2.7. Please identify services which you think are examples of good practice in relation to helping unemployed, inactive or employed people find appropriate work.

What is the service?
Who is it aimed at?
Why is this good practice?
Link/contact for any information about it?

Example 1

_ _

Example 2

_ _

Example 3

_ _

3. Your relationship to the public employment service

3.1. How would you describe your relationship to the Public Employment Service?

(More responses are allowed)

- ❑ Partner/Stakeholder – in relation to the provision of help to the unemployed
- ❑ Partner/Stakeholder – in relation to the interests of our membership
- ❑ Non-contracted service provider

- ❑ Contracted service provider

Other

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_ _

_ _

3.2. How would you assess the quality of your relationship with the Public Employment Agency?

(One response only)

- ❑ Very good
- ❑ Quite good
- ❑ Neither good or bad
- ❑ Quite poor
- ❑ Very poor
- ❑ Don’t know

3.3. What impact does cooperation with Public Employment services have on the opportunities to deliver early and preventive employment services? Do they improve, stay the same or worsen?

(One response only)

- ❑ Improve
- ❑ Stay the same
- ❑ Worsen
- ❑ Don´t know

Why?

_ _

3.4. How good is the Public Employment Service at working with partner organisations?

(One response only)

- ❑ Very good

- ❑ Quite good
- ❑ Neither good or bad
- ❑ Quite poor
- ❑ Very poor
- ❑ Don't know

3.5. How could the Public Employment Service improve its relationships with partner organisations?

_ _

3.6. Please identify examples that you think are good practice of your organisation cooperating with the Public Employment Service.

What is the activity?
Who is it aimed at?
What has been the impact of the activity?
Why is this good practice?
Link/contact for any information about it?

Example 1

_ _

Example 2

_ _

Example 3

_ _

Thank you very much for your participation in the survey!

If you want to change or add something to your answers, just click the button below.

Should you at a later stage wish to open the questionnaire again, just click the link provided in the original mail.

ANNEX 5: Overview of countries' services to various target groups

Services to unemployed job-seekers

1 = No -
2 = All X
3 = Some (X)
4 = Planned P

2.1.3. Does your organisation provide any of the following services to unemployed job seekers who are able to work and who are actively seeking work?

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Systematic collection and provision of labour market information (vacancies/skills needs)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	(X)	X	X	(X)	X	X	X	X	X	X	X	X
Employer notified vacancy information	X	X	X	X	X	X	X	X	X	X	X	X	X	X	P	X	X	X	X	X	X	X	X	X	X	X
Employer notified vacancy information through onsite computer terminals	X	X	P	X	X	X	X	X	X	X	X	X	-	X	P	-	X	(X)	-	-	X	-	-	X	X	X
Employer notified vacancy information through website	X	X	X	X	X	X	P	X	X	X	X	X	X	X	-	X	X	X	X	X	X	X	X	X	X	X
Job search assistance (helping people to search and identifying sources of vacancies)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	(X)	X	X	X	(X)	X	X	X	X	X	X	X
Group activities (such as 'job clubs' or work-shops)	(X)	X	X	P	(X)	X	(X)	X	X	X	(X)	(X)	-	(X)	-	X	X	(X)	(X)	X	(X)	X	(X)	(X)	(X)	(X)
Vocational/Careers advice	(X)	-	X	(X)	(X)	X	X	X	X	X	X	(X)	X	X	X	(X)	X	X	(X)	X	X	X	X	(X)	(X)	(X)
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	(X)	X	-	(X)	X	(X)	-	P	-	-	X	-	(X)	X	(X)	-	X	(X)	X	X	X	(X)	(X)	-	(X)
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	(X)	-	(X)	(X)	X	(X)	X	X	X	X	P	-	(X)	(X)	-	(X)	(X)	(X)	X	X	(X)	(X)	-	(X)	(X)
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	(X)	X	X	(X)	(X)	X	(X)	X	X	(X)	X	X	X	(X)	(X)	X	X	X	(X)	X	X	X	(X)	(X)	(X)	(X)

Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	(X)	(X)	-	(X)	(X)	X	(X)	X	X	X	(X)	-	-	(X)	(X)	-	X	(X)	-	X	(X)	(X)	(X)	(X)	-	(X)
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	(X)	-	X	(X)	-	X	(X)	-	-	-	-	-	-	-	-	P	-	(X)	(X)	-	-	-	-	-	-	(X)
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	(X)	(X)	-	(X)	(X)	X	(X)	(X)	(X)	(X)	(X)	-	X	(X)	-	-	-	(X)	(X)	X	(X)	-	(X)	-	-	(X)
Health promotion programmes (medical checks, health or fitness programmes)	(X)	-	-	-	-	(X)	-	(X)	P	X	-	-	-	-	-	-	-	-	(X)	-	-	-	-	-	-	(X)
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	(X)	X	X	X	X	X	X	X	X	X	P	X	-	(X)	(X)	X	X	(X)	X	X	X	X	X	X	X	(X)
Job broking (helping unemployed people to find and apply for appropriate vacancies)	X	X	X	X	X	X	X	X	X	X	(X)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	(X)	-	X	X	(X)	X	X	X	X	X	X	(X)	X	X	X	(X)	-	X	(X)	X	X	X	X	X	X	(X)
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	X	-	P	P	X	X	P	X	-	X	-	X	-	X	P	X	X	(X)	X	X	X	P	X	X	X	X
Job creation programmes (public sector work programmes)	(X)	(X)	X	(X)	(X)	X	(X)	X	(X)	(X)	X	(X)	X	(X)	(X)	(X)	(X)	-	-	X	X	X	(X)	(X)	-	P
Temporary work trials/placements	(X)	(X)	X	-	(X)	X	-	X	X	X	X	(X)	X	(X)	P	(X)	(X)	P	(X)	X	X	-	(X)	(X)	X	(X)

Services to employed jobseekers

1 = No -
2 = All X
3 = Some (X)
4 = Planned P

2.2.1: Does you organisation provide any of the following services to employed jobseekers?

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Systematic collection and provision of labour market information (vacancies/skills needs)	X	X	X	P	X	X	X	X	X	X	-	X	X	X	P	X	X	P	X	X	X	X	X	X	X	X
Employer notified vacancy information	X	X	X	X	X	X	X	X	X	X	-	X	X	(X)	P	X	X	(X)	X	X	-	X	X	X	X	X
Employer notified vacancy information through onsite computer terminals	X	X	P	X	X	X	X	X	X	X	-	X	-	X	P	-	X	(X)	-	-	X	-	-	X	X	X
Employer notified vacancy information through website	X	X	X	X	X	X	P	X	X	X	-	X	X	X	P	X	X	X	X	X	X	X	X	X	X	X
Job search assistance (helping people to search and identifying sources of vacancies)	-	X	X	X	X	X	X	X	(X)	X	-	X	X	X	(X)	X	X	(X)	-	X	-	X	-	-	X	-
Group activities (such as 'job clubs' or work-shops)	-	-	(X)	-	(X)	-	(X)	-	(X)	-	-	X	-	-	-	(X)	X	-	-	X	-	-	-	-	X	-
Vocational/Careers advice	P	-	X	X	X	X	X	X	(X)	(X)	-	X	X	X	(X)	X	X	(X)	-	X	X	X	X	-	X	P
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	(X)	(X)	-	X	-	-	(X)	-	-	-	X	-	(X)	(X)	-	-	(X)	-	-	-	X	-	-	-	X
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	-	-	X	-	X	-	(X)	P	(X)	-	-	X	(X)	-	-	-	-	-	X	-	(X)	(X)	-	-	X
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	-	-	(X)	-	-	-	-	-	P	-	-	-	-	-	-	X	-	-	-	X	-	X	-	-	X	P
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing,	-	-	-	-	-	X	-	-	P	(X)	-	X	X	(X)	-	-	-	-	-	X	-	-	-	-	-	-

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
application and interview performance)																										
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(X)	-	-	-	-	-	-	-	-
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	-	-	-	-	-	X	-	-	-	-	-	-	X	-	-	-	-	(X)	-	X	-	-	-	-	-	P
Health promotion programmes (medical checks, health or fitness programmes)	(X)	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	P
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	-	X	(X)	-	X	X	-	X	(X)	X	-	X	-	(X)	(X)	X	-	X	X	X	X	X	X	X	X	-
Job broking (helping unemployed people to find and apply for appropriate vacancies)	-	-	X	X	X	X	X	X	(X)	X	-	X	X	X	-	-	-	(X)	-	X	X	-	-	-	X	-
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	-	-	X	X	X	X	X	X	(X)	X	-	(X)	X	(X)	-	-	-	(X)	-	X	-	-	-	X	X	-
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	X	-	X	P	X	X	P	X	-	X	-	X	X	X	-	X	X	(X)	X	X	X	-	X	X	X	X
Job creation programmes (public sector work programmes)	-	-	(X)	-	-	-	-	-	(X)	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-
Temporary work trials/placements	-	-	-	-	X	-	-	-	-	X	-	-	X	-	-	-	-	-	-	X	-	-	-	-	X	-

Services to inactive groups

1 = No -
2 = All X
3 = Some (X)
4 = Planned P

2.3.3. Does your organisation provide any of the following services to inactive people? By inactive people, we mean people who are not actively seeking work because of caring responsibilities or sickness/ill-health

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Systematic collection and provision of labour market information (vacancies/skills needs)	-	-	X	-	X	X	X	X	(X)	(X)	-	X	-	X	P	X	X	(X)	X	X	-	(X)	-	X	X	(X)
Employer notified vacancy information	X	-	X	-	X	-	X	X	X	(X)	-	X	-	(X)	P	X	X	(X)	X	X	-	(X)	-	X	X	(X)
Employer notified vacancy information through onsite computer terminals	X	-	P	-	X	-	X	X	X	(X)	-	X	-	X	P	-	X	(X)	-	-	-	-	-	X	X	(X)
Employer notified vacancy information through website	X	-	X	X	X	-	P	X	X	(X)	-	X	X	X	P	X	X	X	X	X	X	(X)	X	X	X	(X)
Job search assistance (helping people to search and identifying sources of vacancies)	(X)	-	X	-	X	-	X	X	-	(X)	-	X	-	(X)	(X)	X	X	(X)	X	X	-	(X)	-	(X)	-	X
Group activities (such as 'job clubs' or workshops)	(X)	-	(X)	-	X	-	X	-	-	(X)	(X)	X	-	-	-	X	X	(X)	X	-	-	-	-	(X)	-	X
Vocational/Careers advice	(X)	-	(X)	-	X	-	X	X	(X)	(X)	-	X	-	(X)	(X)	X	X	(X)	X	-	-	(X)	X	(X)	-	X
Direct provision of training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	-	P	-	X	-	X	-	-	-	-	X	-	-	(X)	(X)	-	(X)	(X)	-	-	(X)	-	(X)	-	X
Referral to free (publicly funded) external training and education programmes (linked to specific technical skills/competencies/qualifications)	(X)	-	-	X	X	-	X	-	(X)	(X)	X	-	-	(X)	-	-	-	-	(X)	X	-	-	-	-	-	X
Direct provision of support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	(X)	-	P	-	X	-	X	-	-	(X)	-	-	-	(X)	-	X	X	(X)	(X)	-	-	(X)	-	(X)	-	X

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Referral to free (publicly funded) external support/coaching for employability skills (soft skills/competencies such as time keeping, personal presentation, communication, CV writing, application and interview performance)	(X)	-	-	X	X	-	X	-	-	(X)	-	X	X	(X)	-	-	-	-	-	X	-	-	-	(X)	-	(X)
Direct provision of support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	(X)	-	-	X	X	-	X	-	-	-	-	-	-	-	-	P	-	(X)	(X)	-	-	-	-	-	-	(X)
Referral to free (publicly funded) external support to remove barriers to employment (alcohol/drug misuse, mental health or housing)	(X)	-	-	-	X	-	X	-	-	(X)	X	-	X	(X)	-	-	-	(X)	-	X	-	-	-	-	-	(X)
Health promotion programmes (medical checks, health or fitness programmes)	-	-	-	-	X	-	-	-	-	(X)	-	X	-	-	-	-	-	-	(X)	-	-	-	-	-	-	P
Jobs/Recruitment fairs (events where job seekers can meet potential employers with vacancies or find out about different occupations)	-	-	X	-	X	-	X	-	(X)	(X)	-	X	-	-	-	X	X	X	(X)	X	-	(X)	-	X	X	-
Job broking (helping unemployed people to find and apply for appropriate vacancies)	-	-	X	-	X	-	X	-	-	(X)	-	X	-	(X)	-	(X)	-	(X)	(X)	-	-	(X)	-	(X)	-	X
Active job broking (pre-selection of suitable candidates from the register for particular vacancies)	-	-	X	-	X	-	X	-	-	(X)	-	(X)	-	(X)	-	(X)	-	-	(X)	-	-	-	-	(X)	-	-
Automated/self-service job broking (matching of jobseekers to vacancies without interaction of PES staff)	-	-	X	P	X	-	P	-	-	(X)	-	X	-	X	-	X	X	-	X	-	-	-	X	X	X	X
Job creation programmes (public sector work programmes)	-	-	P	-	X	-	X	-	-	(X)	-	-	-	(X)	(X)	P	X	-	-	-	-	(X)	-	(X)	-	-
Temporary work trials/placements	-	-	P	X	X	-	-	-	-	(X)	-	-	-	(X)	(X)	(X)	X	P	(X)	-	-	-	-	(X)	-	X

Services to employers

Yes = X
No = -
Planned = P

3.1: Does you organisation provide any of the following services to employers?

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Systematic collection and provision of labour market information (vacancies/skills needs)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	P	X	X	X	X	X	X	X	X	X	X	X
Advice on vacancy advertising	X	X	X	P	X	X	X	X	X	X	X	X	-	X	P	X	X	-	X	X	-	X	X	X	X	X
Advice on recruitment and retention problems	X	X	X	P	X	X	X	X	X	X	P	X	-	X	P	X	X	-	X	X	X	X	X	X	X	X
Job creation programmes (public sector work programmes)	-	X	X	-	X	X	-	X	X	X	X	X	-	-	-	X	X	-	-	X	X	X	X	X	-	-
Work trials or subsidised temporary placements	X	X	X	-	X	X	-	X	X	X	X	X	X	X	-	X	X	X	X	X	X	X	X	X	X	X
Vacancy advertising	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Matching services to identify potential recruits/applicants	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Pre-screening services for applicants	X	-	X	X	X	X	-	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Pre-employment training/employability programmes targeted to specific employers/sectors	-	X	X	-	X	X	X	-	X	X	X	X	-	X	X	X	X	X	X	X	X	X	X	X	-	X
Interviewing/recruitment services	X	X	-	X	X	X	X	X	X	X	-	X	-	X	X	-	X	-	-	X	X	X	X	-	X	X
Jobs/Recruitment fairs (events where several employers can attend to meet prospective applicants)	X	X	X	X	X	X	X	X	X	X	P	X	-	X	-	X	X	X	X	X	X	X	X	X	X	X
Workforce health promotion programmes (medical checks, health or fitness programmes)	X	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	-	-	X	-	-	-	-	-	-	P
Programmes to overcome employer resistance to employing disadvantaged or longer-term unemployed/inactive people	X	X	X	-	X	X	X	X	X	X	X	X	X	X	X	-	X	X	X	X	-	X	X	-	-	X

Benchmarking	AT	BE	BG	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IS	IE	IT	LV	LT	MT	NO	PL	PT	RP	SI	SE	NL	UK
Advice/support in managing a diverse workforce (e.g. workers of different ethnicities, genders, ages, religious belief or sexual orientation)	X	X	X	-	X	X	-	X	X	X	P	P	-	X	-	-	X	P	-	-	-	-	-	-	-	-
Advice/support in redundancy situations	X	X	X	X	X	X	X	X	X	-	-	X	-	X	P	X	X	X	X	X	X	X	X	X	X	X