



Assessment Report on PES Capacity

2018

Written by ICON-INSTITUT Public Sector GmbH
Marjolein Peters
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Directorate-General for Employment, Social Affairs and Inclusion
Directorate B — Employment
Unit B.1 — Employment Strategy
Contact: Hilde Olsen

E-mail: EMPL-PES-SECRETARIAT@ec.europa.eu

*European Commission
B-1049 Brussels*

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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014¹. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

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¹ DECISION No. 573/2014/EU

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Abbreviations

AFEPAs	Advisors For European PES Affairs
ALMP	Active Labour Market Policy
DG EMPL	Employment, Social Affairs and Inclusion Directorate General
EaSI	European Programme for Employment and Social Innovation
EC	European Commission
LTU	Long-Term Unemployed
NEET	Young person who is Not in Education, Employment, or Training
PES	Public Employment Services

Headline messages

The European PES Network: monitoring capacity in a changing context

The 2018 assessment report on the capacity of Public Employment Services (PES) provides an overview of the main trends in the development of PES, describing aspects of their capacity and the client services they offer. This report is based on information received from 31 PES in July and August 2018. It includes the EU 27 (the three regional PES in Belgium are separate), together with Iceland and Norway. The United Kingdom did not participate. It provides an information base to support the work of the European PES Network. The main findings of this report are summarised below. A separate report presents the findings of an ad hoc survey supporting the monitoring and evaluation of the EU Council Recommendation (adopted in February 2016) on the integration of the long-term unemployed (LTU) into the labour market.

Cooperation – a key feature in the set-up of institutions

A start was made this year with the inclusion in this report of developments in the organisational set-up of the PES and governance issues in the wider labour market in different European countries. Subjects scheduled to be covered in the coming years include (de-)centralisation, (de-)concentration, the degree of autonomy, the involvement of other stakeholders, internal organisation and the deployment of human resources.

An initial overview confirms that the devolution of responsibilities plays an important role in the labour market governance. In federal states (such as DE, ES, IT and PL) this is between the national and the regional level, and it is between national government and local government in those countries where the municipalities share responsibility for labour market policies (DK and NL, for example). However, several other PES also cooperate with other institutions for important tasks such as the design and implementation of individualised assistance and the implementation of ALMPs (Active Labour Market Policies). Many PES share the responsibility for the provision of careers advice to youngsters of school age with other institutions (19 PES), also the notification of apprenticeship places and the placement of apprenticeship candidates (13).

Economic growth has a higher impact on vacancies than on job-seeking clients

The labour market context in which PES operate continues to improve. The number of vacancies notified to PES is increasing, while the number of job-seeking clients is decreasing. The total average monthly inflow of vacancies increased by 8.7% between 2016 and 2017². On the other hand, the number of job-seeking clients registered with European PES decreased by 5.4%.

PES are still dominated by difficult-to-place clients

While young people, the long-term unemployed and older workers have all profited from the economic recovery, the share of these three groups in the PES population still remains fairly constant. The share of unemployed *young* people became proportionately smaller more rapidly when compared with the share of the long-term unemployed, and especially unemployed older people.

Signs of decreasing PES expenditure contrary to the previous upward trend

Overall, total expenditure (excluding spending on unemployment and other benefits or 'pro forma' spending) has steadily increased in recent years³, although the most recent

² This concerns the 29 PES where information is available on the annual average monthly inflow of job vacancies notified to them.

³ In the 17 PES where this information is available.

period (2016 and 2017) has seen an overall decrease. This overall decrease occurred because almost all PES with medium (CZ, FI, IE and PT) to high (FR and SE) budgets compared to other PES saw their expenditure decreasing. The number of PES reporting increasing budgets has gone down since 2013, while the number reporting decreasing budgets has increased again.

Most of the PES budget excluding spending on unemployment is spent on ALMPs (on average, almost 60%). Almost 30% (on average) goes on staff costs, 0.3% on staff training, while 13% goes on other types of expenditure. Further analysis has shown that the share of the budget spent on ALMPs is not explained by the size of the budget or by the fact PES are (not) responsible for unemployment or other benefits.

Staff numbers continue the modest decline first observed last year

During the last year, the total number of staff in FTE (Full Time Equivalent) posts decreased by 0.2% between April 2017 and April 2018⁴. This development is mirrored in the lower number of PES experiencing an increase in their number of staff this year – 14 PES compared to 18 in the previous year. In addition, PES staff turnover rates - the proportion of total staff leaving the PES in a given year - have increased since the previous year.

In contrast, no less than fifteen PES plan to implement staff *increases* this year. A far smaller number (six) has planned decreases for 2018, and one PES foresees both an increase and a decrease during the course of this year.

Planned changes in staff deployment are usually related to internal developments

Fourteen PES foresee changes in the deployment or allocation of their staff in 2018. These changes were related to a variety of causes, including the introduction of new services or the introduction of a new strategy, a more fundamental reorientation such as a shift in services from passive to active measures, or institutional changes.

A substantial number of staff directly serves clients

The *average* share of total staff who work in the front office is 63.6%, and in most PES front office staff still make up more than 50% of the total. While front office staff can be assigned to work with all clients or all visitors, a majority of the PES also assign specialist teams or specialist office workers to specific groups.

PES with no responsibility for benefit payment on average have a higher share of their staff working directly with clients. This average is even higher where PES administer social allowances rather than unemployment benefits. The fact that the administration of unemployment benefits requires more back office work related to evaluating claims, calculating benefit levels and so on, may partially explain these differences.

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

In 2017 about one fifth of new measures were still directed at young people. This remains the main category for new ALMPs, and the number of new measures targeting other specific groups, such as unemployed older workers, the long-term unemployed, the disabled or refugees, remains small. Three groups of measures that stand out as relatively new and/or gaining in importance are: measures focusing on workers and companies; measures for people with low skills or qualifications; measures with a specific regional or regional mobility focus.

⁴ Information on total staff numbers is available for 27 European PES

Training and employment remain key measures for specific target groups

Training and employment incentives remain the type of measure most often used for all target groups, supplemented by supported employment and rehabilitation for the disabled.

Direct job creation for the long-term unemployed can be added to this list in 2018, as no less than 22 PES used this type of measure for this group, compared to sixteen in 2017.

Strategic targets often related to long-term unemployed

This year information was gathered about the PES's main strategic targets, and the annual PES business plans for 2017 give examples of these. Six PES either do not set targets at all, or they do not set their targets themselves. The strategic targets set by the other 24 PES most often concern specific PES client groups, in particular the long-term unemployed.

1. Introduction

1.1. The European PES network and its benchlearning activities

In May 2014, the European Council and the European Parliament published a Decision⁵ that led to the creation of the European Network of Public Employment Services (PES) in June of that year. This formalised the longstanding cooperation between PES in Europe, going back to 1998. This network is made up of 32 EU/EEA PES organisations (comprising 27 national PES, the three separate services in Belgium and one each from Iceland and Norway). Within this network, a number of working groups have been established to pursue different themes of interest to the Heads of Public Employment Services (HoPES). One of these themes is Benchlearning.

Benchlearning refers to a process that involves a systematic integrated approach linking performance measurement, or benchmarking, with mutual learning (see Decision No. 573/2014/EU in footnote 2). Since 2015, the network has been engaged in an ongoing series of intensive internal and external peer assessments of PES strategies and organisational setups. In addition, the network undertakes cohesive joint monitoring to obtain insights into the relationship between the efforts PES make, the context in which they operate, and their performance.

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

1.2. This report

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

The present paper is the fourth annual report published on PES capacity. The report is principally based on 31 questionnaires received from European PES during July and August 2017 (the United Kingdom did not participate). The report also makes use of the data collected in previous years, as well as data obtained during the annual PES Benchlearning data collection. In 2018, the questionnaire for the survey on PES capacity was reviewed and revised by a working group of the PES Advisers on European Affairs. This questionnaire was shortened somewhat from earlier years, taking out questions where the answers varied little over many years or where the responses were hard to interpret. On the other hand, following the recommendations of the Advisers' working group, a further question on PES roles and responsibilities was added. This is the first in a series of questions designed to compose an overview with basic information of the institutional set-up, and the various roles of the different European PES. In the coming years more questions are foreseen covering other aspects of their institutional set-up and assigned tasks.

In countries with strongly decentralised structures, the national PES supplied as much information as they were able to. Due to the regional or local autonomy, the amount of information these countries were able to provide was limited.

⁵ Decision No. 573/2014/EU of the European Parliament, and of the Council of 15 May 2014, on enhanced cooperation between Public Employment Services (PES)

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

2. Institutional characteristics

2.1. Institutional capacity, organisational set-up and labour market governance

This report monitors the capacity of European PES to achieve their objectives and respond to the challenges they encounter. Institutional capacity is a key determining factor for effective and efficient performance. In general terms, it refers to their structures and processes, the development of human capital and the tools for supporting work processes such as an online vacancy database. The current chapter focuses on structures - the organisational set-up of the key PES institutions and wider labour market governance.

The organisational set-up has several dimensions. Research in recent years refers to (de-)centralisation, (de-)concentration, the degree of autonomy, the involvement of other stakeholders, internal organisation and the deployment of human resources.

In 2014 a study⁶ distinguished three components in PES organisational models: firstly, whether PES are judicially autonomous from the government (i.e. whether they are executive agencies, generally under the direct control of the Labour Ministry, or whether they are autonomous public bodies). The second dimension of their organisational model was the level of decentralisation within the PES organisation. The third dimension concerned the role of the social partners in the supervision of PES.

In addition, the 2014 analytical paper⁷ on central steering and local autonomy in PES also refers to the institutional set-up in terms of the 'multi-faceted array of roles' that PES perform, and their 'wide engagement with a multitude of actors'.

The organisational structure and the deployment of resources are also amongst the areas where efficiency gains were successfully realised according to the Heads of PES (HoPES) working group on efficiency⁸. These efficiency gains were realised through the rationalisation of institutional structures, new models for public-private partnerships, and changes in the deployment of human resources including in the organisation of front line services.

This year a PES Advisors for European Affairs (Afepa) Reference Group⁹ made several recommendations for a more systematic inclusion of this type of information when the capacity of EU PES is monitored. Gradually this will encompass all the dimensions and characteristics mentioned above. As a first step, this section presents the findings of a questionnaire included in this year's PES Capacity survey on roles and responsibilities. The roles and responsibilities of PES already provide some indications of other work carried out, such as cooperation with other organisations. This section also provides a more detailed picture of the way front office activities are organised. This section commences, however, with a review of the way labour market policy is implemented in the Member States. In the coming years this information may be supplemented by other characteristics of the PES institutional set-up.

⁶ Anna Manoudi et. al., EEPO 2014 Small Scale Study on PES Business Models, European Commission, DG Employment, Social Affairs and Inclusion, June 2014

⁷ J. Timo Weishaupt, Central Steering and Local Autonomy in Public Employment Services. Analytical paper, PES to PES Dialogue. The European Commission Mutual Learning Programme for Public Employment Services European Commission, October 2014, European Commission.

⁸ HoPES – Working Group. PES Efficiency Working Group. Final report, October 2013, supported by the European Commission.

⁹ The Reference Group on Capacity questionnaire met on 20th March 2018 and decided on changes in the PES Capacity questionnaire, the PES Capacity report and the country factsheets.

2.2 Labour market governance structures in Member States

2.2.1. Concentration

Most of the European PES are separate organisations, either executive agencies or autonomous public bodies.

In all the five countries where the PES is part of another organisation (CY, FI, IE, HU and PL), that organisation is the Ministry responsible for employment policy. Examples are the Ministry of Family, Labour and Social Policy in Poland, and the Ministry of Economic Affairs and Employment in Cyprus. The Head Office of the Hungarian national PES (since the latest general election on 8th of April 2018) has moved from the Ministry of State for Vocational Training and the Labour Market to become part of the Ministry of Finance.

PES that are independent organisations often operate under the guidance of a similar Ministry and/or a national employment strategy. Nevertheless, their level of independence differs. The more independent PES may have a legal statute and financial autonomy (France) or they may be a legal self-governing body (Germany). The PES in the Czech Republic, on the other hand, is an executive agency under the direct control of the Ministry of Labour and Social Affairs. The Director General of the Slovakian PES is a member of the management board of the relevant Ministry and she or he reports directly to the Minister of Labour.

2.2.2. Centralisation

Most PES are national organisations and they are directly or indirectly governed by the public authorities at national level. The clear exceptions in this respect are the three Belgian PES, which operate under the supervision of the regional authorities. The provision of public employment services in Belgium is done on a regional basis, while the allocation of benefits is a federal responsibility.

Most PES have offices at both the regional and the local level. As would be expected, smaller countries have fewer offices and fewer levels of management. Malta, for example, has five Jobcentres and one on Gozo island. Iceland has eight regional offices servicing individual jobseekers and employers. Additionally the PES has access to local office spaces where employment counsellors meet clients. The Czech Republic has fourteen regional offices and 242 local offices.

In most PES the relationship between the central, regional and local offices is relatively straightforward. The situation becomes more complex if employment services are delegated to the regional or the local level. The former particularly applies in federal countries, the latter in countries with minimum income schemes managed by local authorities. The following examples illustrate the variety of situations resulting from this.

The division of responsibilities in federal states

The German PES has ten Regional Directorates, then 156 local employment agencies with about 600 'branch offices'. In Germany, the central level decides on the PES strategy and the regional directorates enact this strategy at the regional level. The regional directorates in turn manage the local employment agencies. In addition, 303 Jobcentres have been formed by local employment agencies in cooperation with the local authorities. They organise the services around social assistance recipients at the local level. The German PES is responsible for jobseekers that receive social assistance (Hartz-4) where the local authorities chose to cooperate with the PES in joint local centres called *Jobcenters*. The PES is also responsible for jobseekers in receipt of unemployment benefits (*Arbeitslosengeld I*) who left education, but whose parents are still financially responsible for them as they are younger than 25 years of age.

In Spain, the national PES ('SEPE') is responsible for unemployment benefits and for developing labour market policies. At the regional level SEPE has 52 provincial

directorates and offices in the two autonomous cities of Ceuta and Melilla, as well as 711 employment offices distributed throughout the provinces at the local level. The seventeen autonomous states (*comunidades*) are responsible for the management of labour market mediation and the implementation of active labour market policies. The autonomous states have their own PES, and SEPE is responsible for the coordination of these PES. Depending on the structure of the autonomous state, these PES may have provincial offices of their own, but at the local level they always share the premises with SEPE.

Since 1st January 2017, the responsibility for providing employment services in Italy has been transferred to the nineteen regions and the two autonomous provinces of Trento and Bolzano. Each region works under the framework of regional labour market legislation. Regions design the labour market policies in cooperation with the Ministry of Labour and Social Policy, and they are responsible for designing the regional policies and for implementing measures and services. The Ministry designs the framework labour market policies. The Italian PES (the National Agency for Active Labour Market Policies - ANPAL) oversees the coordination of PES actions. Regions have their own local jobcentres (CPI - *Centri per l'Impiego*) which help jobseekers on income support with their job search, their 'matching' services and other administrative procedures laid out in law.

In Poland, the responsibility for the provision of services to jobseekers is split between the government, the 16 regions (the '*voivodeships*') and the 340 counties (the '*poviats*'). The Ministry of Family, Labour and Social Policy prepares state policy and legislation and it coordinates national labour market policy. Labour offices at both the local (*poviat*) and the regional (*voivodeship*) level determine and coordinate local and regional labour market policies according to the needs of their particular labour markets. The Ministry coordinates these Public Employment Services. At the regional and local levels, labour offices are organisational units respectively of the voivodeship and *poviat* governments. These offices are managed by the directors of the voivodeship and *poviat* labour offices set up by the appropriate state marshals and district governors. Decentralisation does not exclude the existence of 'dependencies' between the employment authorities. These include, amongst others, the voivode's¹⁰ supervision and control of *poviat* and voivodeship self-government labour market policies, appeals procedures (appeals against the decision of an employment authority at the *poviat* level are processed by the voivode as it is a government body). It also includes the channelling of funds for the servicing of the labour market, and mitigating the effects of unemployment.

The role of local authorities

The Danish Agency for Labour Market and Recruitment (STAR) has three regional divisions. The agency at the national level develops strategic policy and employment initiatives to be implemented at the local level in the 98 municipalities. The municipalities and their jobcentres are directly responsible for implementing and delivering employment services. Although they are regulated by national law and partly nationally funded, the 94 municipal jobcentres are agencies or departments of the self-governing municipalities.

In the Netherlands, the PES (the UWV-Werkbedrijf) has a network of 35 regional employment offices that provide services for individual jobseekers and employers. The regional offices are grouped into eleven district centres which make up the intermediate level of the UWV's structure. The UWV-Werkbedrijf is responsible for unemployed people in receipt of unemployment benefits and for jobseekers with labour constraints. The local authorities are responsible for unemployed people in receipt of social assistance. The UWV-Werkbedrijf cooperates with local authorities within the 35 labour market regions.

¹⁰ The representative of central government in the region (voivodeship)

2.2.3. The involvement of social partners

In eleven PES, the social partners are formally involved in the governance of the PES (AT, BE-ACTIRIS, BE-FOREM, BE-VDAB, DE, EE, EL, FR, IS, RO and SI). In Luxembourg, an advisory board (the *Commission de Suivi*) has representatives from other government departments and the social partners and it gives advice to the minister on issues related to the reform of the PES. In Denmark, the National Employment Councils and eight Regional Labour Market Councils act as advisory bodies, comprising representation from the social partners, the regions, the municipalities, and the Danish disabled persons' organisation.

In some countries the social partners are also involved in the governance at the regional or the local level. In Austria, the social partners are involved in the development of labour market policies and in the supervision of the PES in the nine state (*Bundesland*) and the 98 regional organisations. In Iceland, the social partners are also represented in eight Labour Market Councils that act as advisory bodies regarding the structure and choices of ALMP measures based on the regional employment situation. The Councils consist of representatives from trade unions, employers' organisations, local authorities and the educational sector. At the county level in Romania, for example, similar tripartite arrangements apply as at the national level, with government representatives from local authorities.

In countries and regions where the social partners are not directly involved in the governance of the PES, naturally they are important stakeholders for PES to cooperate with.

2.3. The roles and responsibilities of European PES

The national legislation and institutional arrangements for labour market governance set the framework for the roles and responsibilities of the central PES in a country¹¹. These roles and responsibilities also reflect their relationships with other labour market stakeholders, as well as some of their choices regarding the organisation and the implementation of their roles, notably in terms of the in-house provisions of services or outsourcing.

The PES core responsibilities consist of organising and providing information, advice and support for the unemployed and other job-seekers, as well as for employers in order to match the supply and demand in the labour market. Article 6 of the ILO Employment Service Convention¹² defines the key responsibilities that each PES should perform to ensure effective recruitment and job placement. PES are there to help workers find suitable employment and to help employers to find suitable workers. The related responsibilities include the registration of jobseekers and vacancies, matching jobseekers and vacancies, and facilitating various forms of worker mobility. It also includes roles related to the collection and analysis of labour market information and it may include assistance to the country's social and economic planning. Finally, the Convention also mentions 'cooperation in the administration of unemployment insurance and assistance with other measures aimed at the relief of the unemployed'.

These responsibilities are therefore in principle enshrined in the regulatory framework governing PES all over the world. However, the Convention leaves a lot of room for countries to take into account their own individual situation and circumstances. In practice, many activities and responsibilities are not necessarily always - or even usually - within the scope of PES activities. These activities are discussed in the next section.

¹¹ For Belgium read 'regional' in place of 'national' and 'region' in place of 'country'.

¹² C088 - Employment Service Convention, 1948 (No. 88), Convention concerning the Organisation of the Employment Service (Entry into force: 10 Aug 1950) Adoption: San Francisco, 31st ILC session (09 Jul 1948)

2.3.1. Roles where all PES have responsibilities

All 31 employment services that are the subject of this study are fully or partly responsible for the **design and implementation of individualised assistance** (for example counselling and guidance, and job-search assistance) and the follow-up for unemployed people is provided as part of a planned path towards durable (re-) employment.¹³ Responsibility for individual assistance or ALMPs can mean that PES provide these services either directly to clients, or indirectly through outsourcing to external providers.

PES who share this responsibility with other institutions include responsibility for youth (AT) or for recipients of benefits provided by the local authorities (DE, LV and NL). Latvia implements this sort of service in close cooperation with social services provided by the local authorities. In Germany, the PES and the local authorities even operate joint jobcentres for recipients of minimum income allowances¹⁴. In the Netherlands the local authorities implement and provide services for those who claim social assistance benefits. The Dutch PES is responsible for providing these kinds of services to unemployment benefit recipients and (some) people with disability benefits. PES and the local authorities cooperate within the 35 Dutch labour market regions.

All PES are also responsible for the implementation of **active labour market policies** (ALMPs) in their country¹⁵. Seven of these are partly responsible for ALMPs (BE-ACTIRIS, BE-FOREM, BE-VDAB, CY, FR, NL, PT and SE). In some cases, other authorities are responsible for certain types of measures or for certain types of jobseekers. The Cypriot PES refers unemployed 'target groups' to various training programmes that are customised to address labour market needs for soft and hard skills, and for work experience. The PES is not responsible for operating the training programmes, but it is responsible for referring the right people to these programmes. In France, most of the training activities are managed by the regional councils. In Belgium, Actiris is in charge of implementing ALMPs in the Brussels area, though *Bruxelles-formation* is responsible for the provision of training. Support for jobseekers wanting to start their own business or become self-employed falls under the remit of specialised institutions in Portugal and in Flanders (BE-VDAB). The Walloon PES (BE-FOREM) is responsible for the training of jobseekers, although sandwich courses are organised in cooperation with another institution. In addition, AVIQ - *Agence pour une Vie de Qualité* - manages sheltered employment and rehabilitation measures for people with disabilities in Wallonia. In the Netherlands all ALMPs for jobseekers in receipt of welfare allowances are managed by the local authorities.

Many PES (also) outsource the provision of ALMP measures.

2.3.2. Duties which show a clear dividing line between PES

In regard to the administration of unemployment benefits, a mixed picture emerges, with fourteen PES being fully responsible for this¹⁶, a further fourteen PES have no responsibility¹⁷ for this and three PES are partly responsible. In Austria, the PES handles the claims, the Ministry of Finance is responsible for financial planning, while payment is sorted by the Federal Computing system and the banks. Spain has a 'Special Regime for Sea Workers' so the Social Institute of the Navy is responsible when Spanish mariners become unemployed. Mutual occupational insurance companies tend to be responsible for managing the benefits from termination of activity for self-employed workers in Spain.

¹³ These services correspond to those defined under category 1.1.2 in the Eurostat LMP database.

¹⁴ Where licensed local authorities run the jobcentres on their own, the local authorities are also solely responsible for their clients.

¹⁵ ALMP measures include any measures as defined in the Eurostat LMP database under categories 2-7, irrespective of their source of funding.

¹⁶ This implies that PES are in charge of assessing benefit claims and the payment of benefit to jobseekers. Benefit conditions and rules may be decided elsewhere, e.g. by a ministry or by a dedicated agency such as the UNEDIC in France.

¹⁷ This does not exclude the possibility that a PES performs the required registration for benefit receipt such as the Slovakian PES, or that the PES evaluates the jobseekers' activities and notifies the unemployment insurance schemes of deviations, as with the Swedish PES.

The Portuguese PES is not responsible for administering unemployment benefits, but instead it submits claims from the registered unemployed to the social security agency. The PES also monitors its clients' continued eligibility for unemployment benefits.

Table 1. PES responsibilities in regard to benefits

Responsibilities	PES	Number
PES with no responsibilities for benefit payment	BE-ACTIRIS, BE-FOREM, BG, CY, FI, IT, LT, LV, MT and NL (see note below table)	10
PES responsible for unemployment benefits but not for other benefits	DE, FR, HR, HU, PL, PT, RO and SI	8
PES responsible for unemployment as well as other benefits	AT, CZ, EE, EL, ES, IE, IS, LU and NO	9
PES only responsible for other benefits	BE-VDAB, DK, SE and SK	4

Source: PES Capacity Questionnaire 2018.

Notes

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

PT: The PES only submits UB claims to Social Security as it is mandatory for claimants to be registered with the PES. The PES is responsible for performing checking and controlling functions within unemployment, including jobseekers' fulfilling their legal obligations regarding Unemployment Benefit and deciding upon their deregistration if they fail to comply.

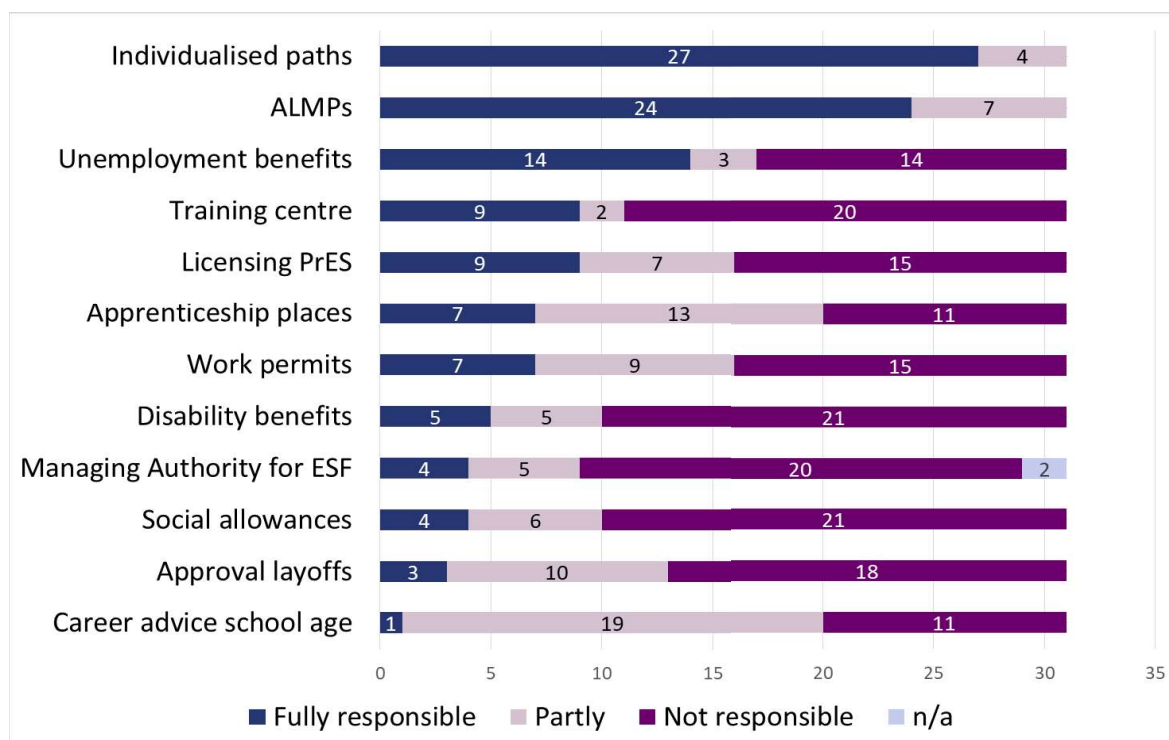
SE: The Swedish PES is not responsible for benefit payments, but these posts are included in their budget and paid to the institutions like the unemployment insurance funds and the Swedish Social Insurance Agency.

2.3.3. Roles where PES do not usually have responsibilities

The four roles that fall *outside* the remit of some two thirds of the PES across Europe are the **administration of social allowances** (21 PES) and the **administration of disability benefits** (also 21 PES). Ten PES are fully or partly responsible for social allowances. The example of the Czech Republic illustrates the variety of allowances covered by PES. The Czech PES is responsible for foster care benefits, benefits for people in material need, state social support benefits, care benefit, and benefits for people with disabilities. Seven of these PES also administer benefits for people with disabilities, along with three other PES.

Twenty PES do not act as the **managing authority for the ESF (the European Social Fund)**, although some of them may act as the intermediate body (i.e. the managing authority in their country may have delegated certain responsibilities to them). Another twenty PES do **not manage their own training centres**. The PES that manage their own training centres for jobseekers are Austria, BE-VDAB, BE-FOREM, the Czech Republic, Greece, Spain, Norway, Portugal and Romania. In addition, Denmark, Luxembourg and Malta have a shared responsibility for this task. In Denmark, Jobcentres can refer unemployed jobseekers to adult vocational training programmes. The jobcentre is responsible for this whereas STAR is responsible for the legislation and monitoring of them. While the Maltese PES does have its own training centre, not all the 'off-the-job' training within it is exclusively aimed at registered jobseekers. In addition, jobseekers are also encouraged to seek out other training providers for training programmes that the PES does not cater for.

Figure 1. Number of PES fully, partly or not responsible for specific duties



2.4. Comparison of the range of responsibilities

Five PES have a large number of responsibilities in comparison to the average (eight responsibilities or more). In some countries this is primarily due to being fully responsible for many roles (CZ, ES), in other countries this is mainly due to the PES being partly responsible for a variety of different roles (AT, DE, and FR).

At the other end of the scale there are PES with a relative small range of duties – they are responsible for less than six in the list of roles beneath this table (BE-ACTIRIS, BE-FOREM, CY, FI, HR, MT and SE).

In some countries the PES is part of a larger institution¹⁸. If the responsibilities mentioned are not part of the PES’ responsibilities, this does not exclude the possibility that other divisions of this larger organisation are responsible. This is for instance the case in the Netherlands.

Table 2. Fully (F), partly (P) or not (No) responsible for specific duties by PES

	1	2	3	4	5	6	7	8	9	10	11	12
AT	P	F	P	F	No	P	F	No	P	P	P	P
BE - ACTIRIS	F	P	No	No	No	F	No	F	No	No	No	P
BE - FOREM	F	P	No	F	No	No	No	No	No	No	No	No
BE - VDAB	F	P	No	F	No	P	No	P	No	P	No	P
BG	F	F	No	No	F	P	F	No	No	No	P	P
CY	F	P	No	No	F	P	F	No	No	No	No	No
CZ	F	F	F	F	P	F	P	No	F	F	No	F

¹⁸ Depending on national historical development, customs and definitions, in such a situation the institution as a whole or the specific division is considered to be the PES in a country.

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

* The Dutch PES is part of a larger organisation (UWV) that is responsible for providing benefits to unemployed, ill, and disabled persons.

**The Dutch PES does cooperate with municipalities and institutes for vocational training in 'service points' for vocational training'.

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

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

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

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

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

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

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

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

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

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

11 - The approval of layoffs by employers.

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

3. Developments in supply and demand

3.1. Job-seeking clients

3.1.1. Introduction

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

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

3.1.2. Developments in the number of job-seeking clients

Since the second quarter of 2013, the EU 28 unemployment rate has started to decrease. In number terms, 16.657 million men and women in the EU-28 were unemployed in August 2018. This was considerably less than August the year before. The EU-28 unemployment rate was 6.8% in August 2018, compared to 7.5% in August 2017.¹⁹

The number of job-seeking clients registered with European PES²⁰ has also decreased over the past three years, with the highest decrease occurring between 2016 and 2017. The number of registered job-seeking clients went from 20.5 million by the end of April 2015 to 16.9 million on the same day in 2018. This amounts to a 17.7% decrease.

The actual decrease last year occurred in 22 PES. There were still six PES with increasing numbers of job-seeking clients registered at their offices over this period (EE, FR, IS, LU, LT and NO).

Table 3. Developments in the number of job-seeking clients, 2015-2018

	2015-2016	2016-2017	2017-2018	2015-2018
Number of PES with increasing numbers	5	4	6	4
Number of PES with decreasing numbers	23	24	22	24
Average percentage change	-5.9%	-7.6%	-5.4%	-17.7%

Source: Responses to the PES Capacity Report questionnaire 2015-2018.

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

Note: Job-seeking clients are people who are registered with the PES, who are available for the labour market (i.e. people who are not permanently ill or who are not considered "unable to work"), who are not working (neither part nor full-time) and who are, or who should be, actively looking for a job. It does not matter whether or not these people are considered unemployed according to national legislation. If this data was not available, PES chose the definition that most closely approximated this definition.

Note: All data refer to 30th April. If this data was not available, PES chose the definition that most closely approximated this date.

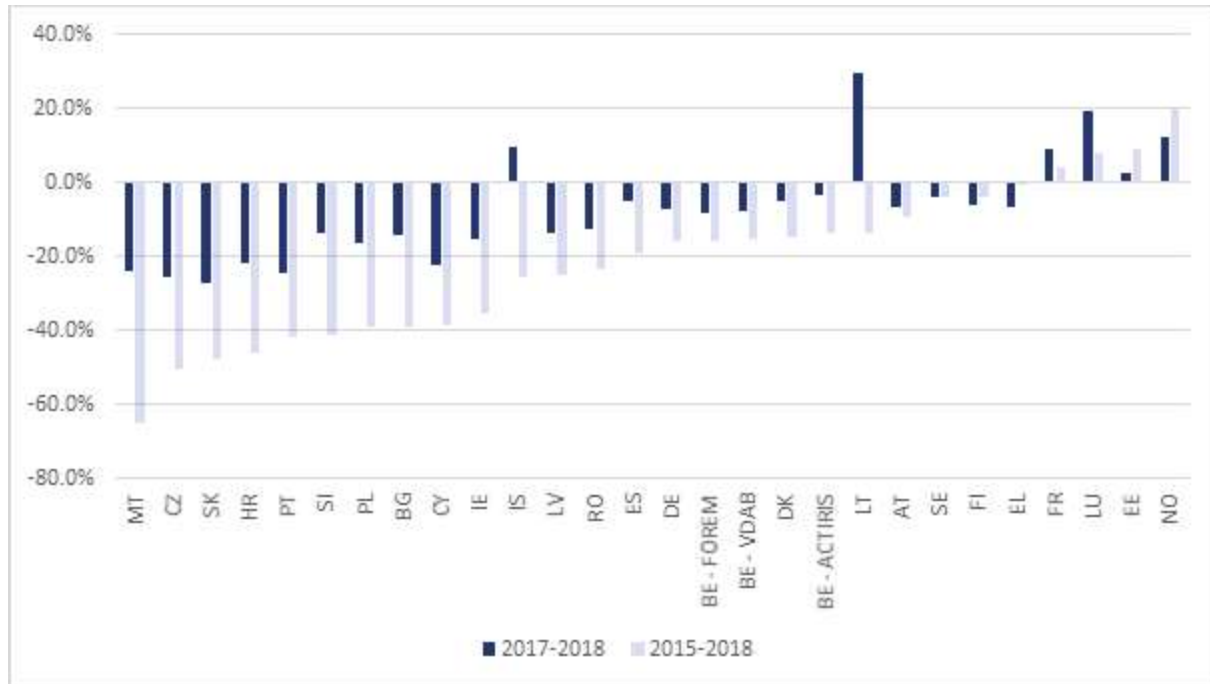
¹⁹ ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics

²⁰ In the 28 PES for which these data are available.

The long-term fall in the number of job-seeking clients was highest in Malta with a 64.9% drop between 2015 and 2018, followed by the Czech Republic, Slovakia and Croatia with decreases of around 50%.

The highest increase during this period was in Norway with a 19.7% rise between 2015 and 2019. France, Estonia, and Luxembourg are the three other countries where PES were faced with increasing numbers of job-seeking clients.

Figure 2. Percentage change in the number of job-seeking clients, 2017-2018 and 2015-2018, ordered by change in the 2015-2018 period



Source: Responses to PES Capacity Report questionnaires 2015-2018.

Note: No data or insufficient data was available for and HU, IT and NL.

Note: Job-seeking clients are people who are:

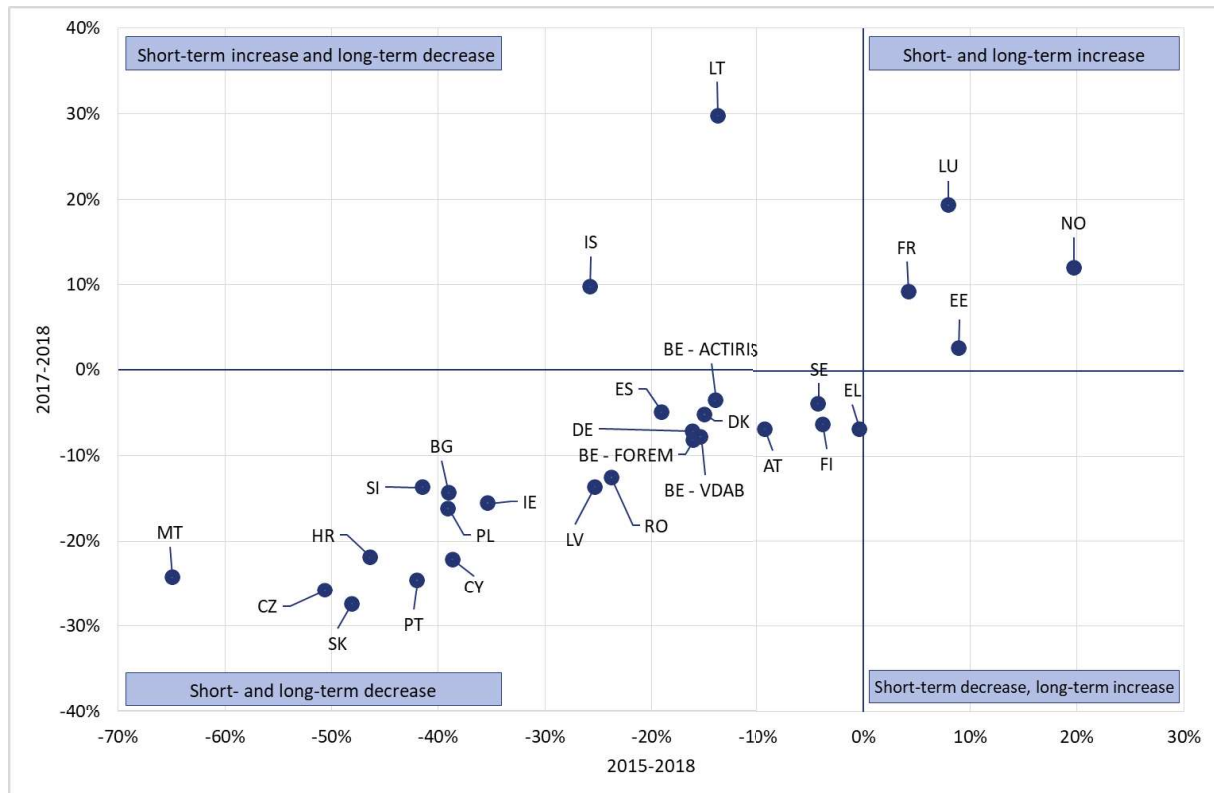
1. Registered with the PES
2. Available for the labour market (i.e. people who are not permanently ill or who are not considered "unable to work")
3. Not working (neither part nor full-time)
4. Actively looking for a job (or who should be actively looking).

It does not matter whether or not these people are considered unemployed according to their national legislation. If this data was not available, PES chose the definition that most closely approximated this definition.

Note: All data refer to 30th April. If this data was not available, PES chose the definition that most closely approximated this date.

From the above figure it can already be seen that the development of the number of job-seeking clients is typically similar in the short-term and in the long-term. Figure 3 illustrates this more clearly. While the long-term trends in Lithuania and Iceland still exceptionally show a decreasing client base, overall, the number of job-seeking clients increased again last year after the decreasing numbers of previous years. Four countries where the number of job-seeking clients at the PES is still increasing in both the short-term and the long-term are Estonia, France, Luxembourg and Norway.

Figure 3. Longer-term change in the number of job-seeking clients (2015-2018) compared to the most recent short-term change (2017-2018)



Source: Responses to PES Capacity Report questionnaires 2015-2018.

Note: All data refer to 30th April. If this data was not available, PES chose the definition that most closely approximated this date.

3.1.3. Job-seeking clients' profiles

One of the key factors determining the implementation of PES services is the profile of job-seeking clients and how it impacts upon a PES's capacity to respond to their clients' specific needs. Data is available on the development of three specific target groups, firstly young people under age 25 (in 28 PES), secondly the long-term unemployed (LTU) and thirdly older workers (in 25 PES). Job-seeking clients with disabilities are discussed separately as data for this group has only recently become available.

All three target groups continue to leave the register, although the most recent decrease in percentage terms is somewhat smaller than the youth and the long-term unemployed increase between April 2016 and April 2017. The number of older workers leaving the register, in contrast, went down more rapidly between 2017 and 2018.

At the same time, the share of the three target groups still remains fairly constant, with that of young people becoming smaller more rapidly than the share of long-term unemployed, especially among older workers.

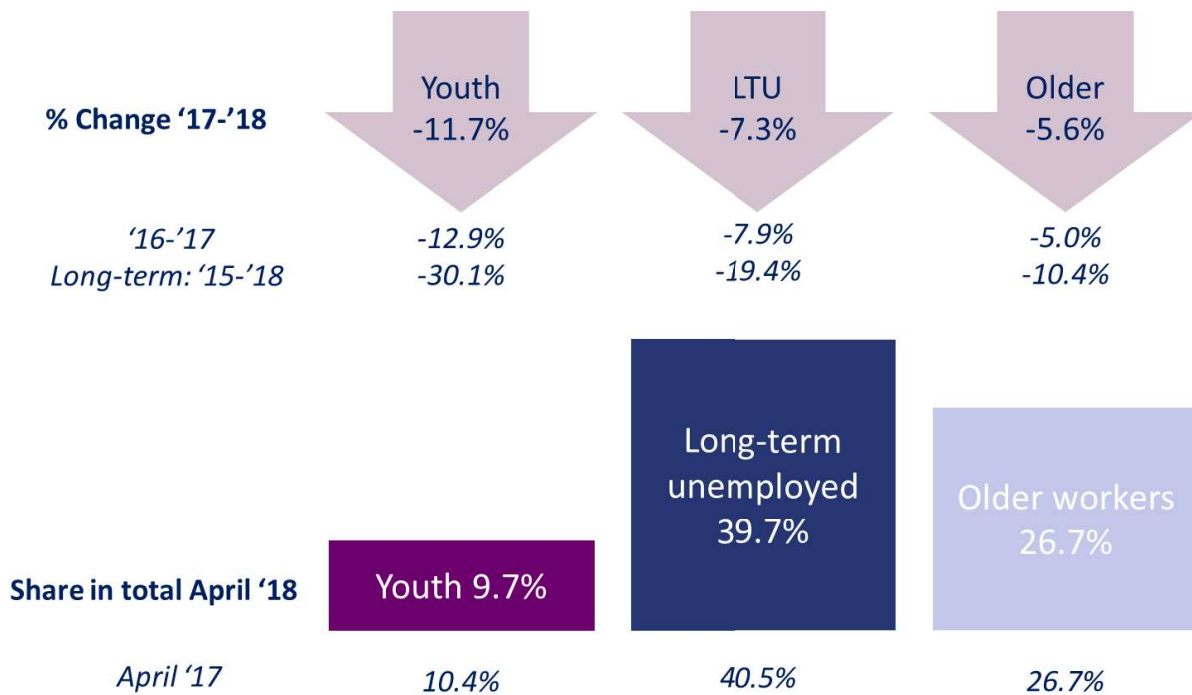
Figure 4 shows that young people now constitute 9.7% of the group that PES help to find their way (back) to the labour market. The number of job-seeking clients under 25 decreased by 11.7% last year, staying within the long-term trend of a 30.1% decrease since 2015. The lowest shares of young people in the PES population are now found in Bulgaria (5%), Cyprus, Lithuania, and Latvia (6%), as well as Austria, Finland, and Greece (7%). In Belgium, both Le Forem (19%) and VDAB (18%) still have a relatively large number of young people among their job-seeking clients.

Not only the number, but also the share of long-term unemployed (below 40%) on the PES registry decreased between April 2017 and April 2018. Two of the Belgian PES have much higher shares though, with 64% in the Brussels area and 77% in Wallonia. In Flanders, Greece, Luxembourg, Poland, and Slovenia, the PES register also consists of

more than half the long-term unemployed. Long-term unemployment is small in several northern countries with Denmark, Finland, and Iceland having almost 80% or more their job-seeking clients as short-term unemployed, while Latvia has only 28% long-term unemployed.

Although overall the number of older workers decreased, the share of older workers amongst PES clients did not change. Older workers are over-represented in the Bulgarian, Latvian, Maltese, and Slovenian PES with shares of 40-42% each. High shares of 36-38% are also found in the Czech Republic, Croatia, Estonia, Portugal, and Romania. Older workers form a relatively small group in Ireland (9%).

Figure 4. The development in the presence of specific groups and in their share of the total number of job-seeking clients over time



Source: Responses to PES Capacity questionnaires 2017 and 2018.

Note: No data or insufficient data for HU, IT and NL for young people and LTU; no data or insufficient data for EL, HU, IT and NL for older workers.

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

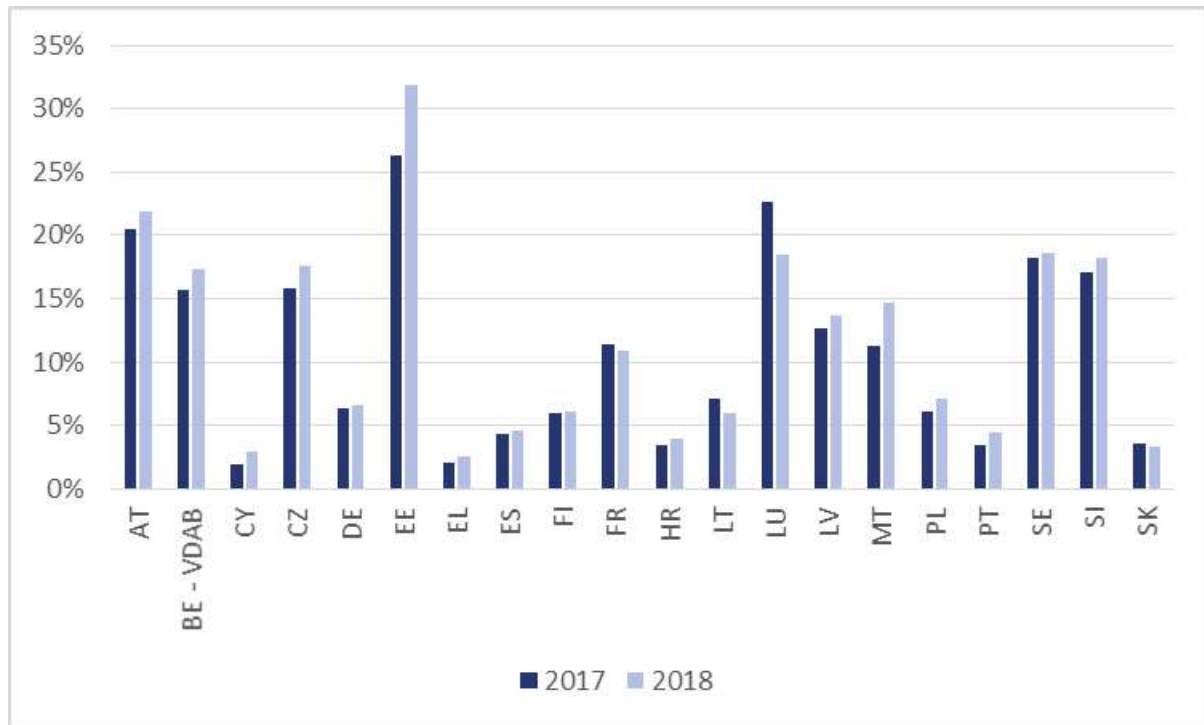
Note: All data refer to 30th April. If this data was not available, PES chose the definition that most closely approximated this date.

Data on clients with disabilities is available for twenty PES. While the total number of clients with disabilities for these PES has barely changed between 2017 and 2018, the share of clients with disabilities in these PES increased by 0.4 percentage points to 7.2%.

The highest shares are found in Estonia, followed by Austria, Flanders, the Czech Republic, Luxembourg, Sweden and Slovenia. Cyprus and Greece have the lowest shares. These data need to be viewed with caution, as definitions of disability vary between countries.

The share of job-seeking clients with disabilities increased in most countries, the exceptions being France, Lithuania, Luxembourg and Slovakia.

Figure 5. The share of job-seeking clients with disabilities in 2017 and 2018



Source: Responses to PES Capacity questionnaire 2017 and 2018.

Note: No information, or insufficient information, is available for BE-ACTIRIS, BE-FOREM, BG, DK, HU, IE, IS, IT, NL, NO and RO.

3.2. Job vacancies

Measured by the modest but consistent annual increases in the job vacancy rate, the European labour market has clearly been on the road to recovery during the 2014-2017 period. In the EU 28, the job vacancy rate increased from 2.0% in the second quarter of 2017 to 2.2% in the second quarter of 2018. The trend of rising job vacancy rates occurred in the vast majority of EU Member States.²¹

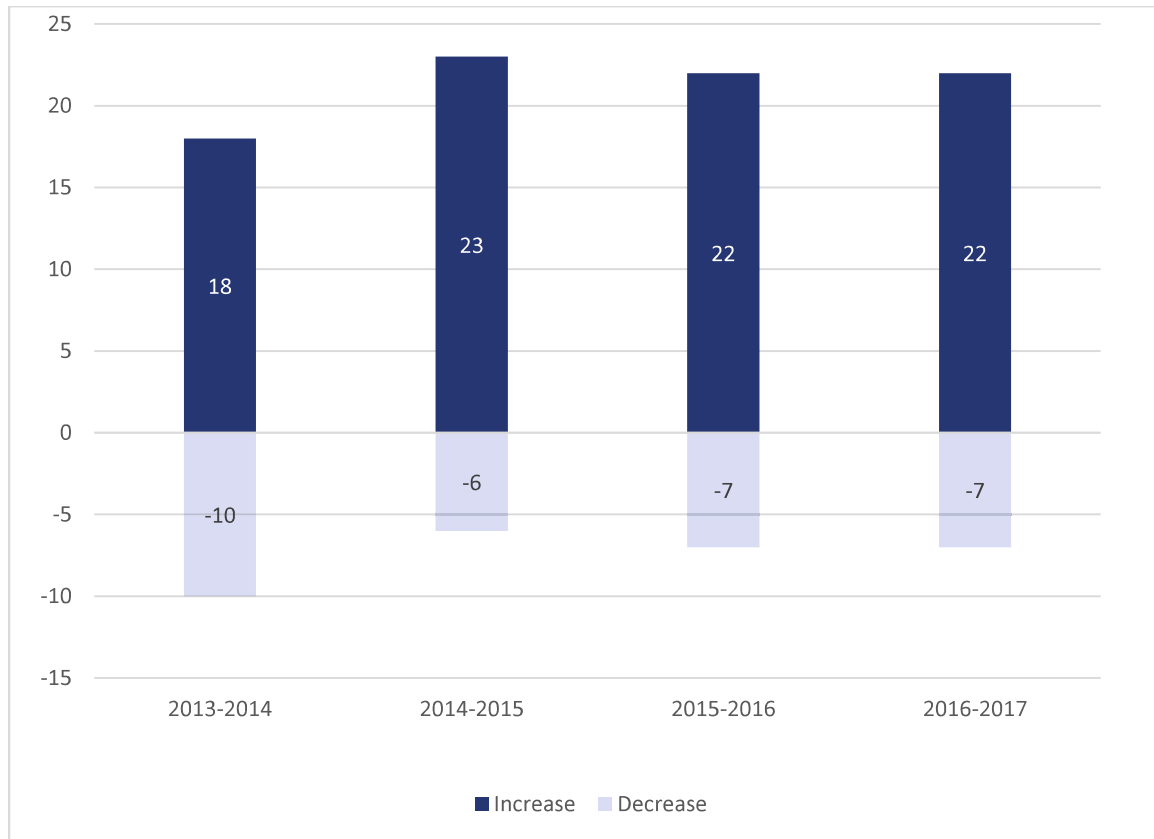
This trend can also be seen in the notification of vacancies to the PES in Europe. The total average monthly inflow increased by 8.7% between 2016 and 2017. This concerns the 29 PES where information is available on the annual average monthly inflow of job vacancies notified to them.

This increase is more than twice as high as the increase for the same PES between 2016 and 2017, but lower than the 10.4% rise between 2014 and 2015. Overall, between 2014 and 2017 the average monthly inflow of job vacancies received by PES increased by 25.0%.

The number of PES with increasing vacancies is becoming more stable, a trend already emerging in the previous annual report.

²¹ Job vacancy rate = number of job vacancies / (number of occupied posts + number of job vacancies) * 100, EU Job Vacancy Survey, European Commission, Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Job_vacancy_statistics

Figure 6. The number of PES experiencing an increase/decrease in the number of vacancies notified, percentage increase in the annual average monthly inflow, 2013-2016



Source: PES data provided via PES data collection for the Benchmarking project, 2018.

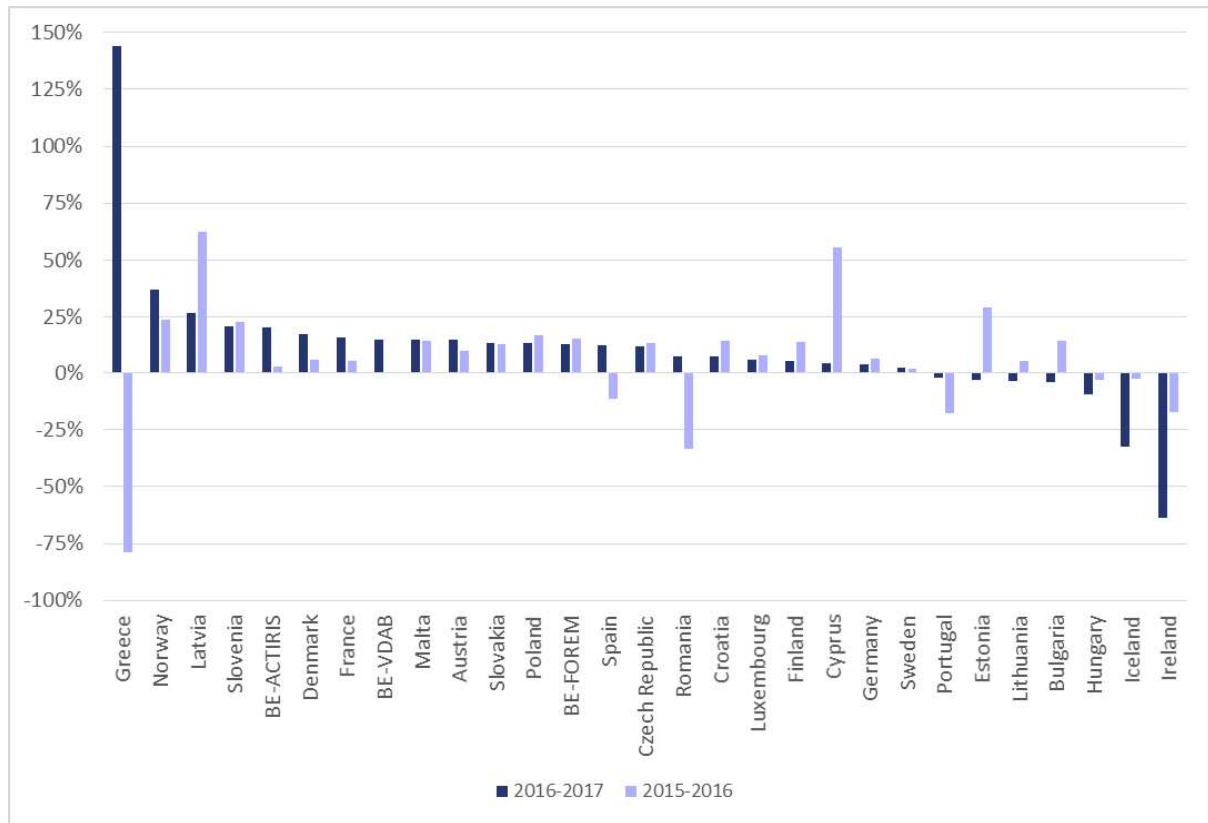
Note: The numbers refer to the annual average of the number of vacancies notified each month.

Note: No data or insufficient data for IT and NL, and for CZ for the years 2013 and 2014.

Although the number of notified vacancies increased in 22 PES, in almost half of them the increase was smaller than during the previous year. Furthermore, the decrease in vacancies notified was stronger than during the previous period in six of the seven PES concerned. PES with striking differences between the two periods include Iceland (with a 32.2% decrease) and Ireland (with a 63.7% decrease) compared to -2.4% and -17.5% between 2015 and 2016. In Greece, Romania and Spain, on the other hand, the PES experienced increases, while numbers had been decreasing the year before. This difference was particularly marked in Greece and Romania.

It should be noted that PES may also offer vacancies directly notified by employers on the PES' job site or obtained via job scraping. Those vacancies are regarded as PES' job offers in some countries, such as the Netherlands, but are not included in the figures presented in this section.

Figure 7. Percentage change reported in the number of vacancies notified to the PES in the periods 2015-2016 and 2016-2017



Source: PES data provided via PES data collection for the Benchlearning project, 2018.

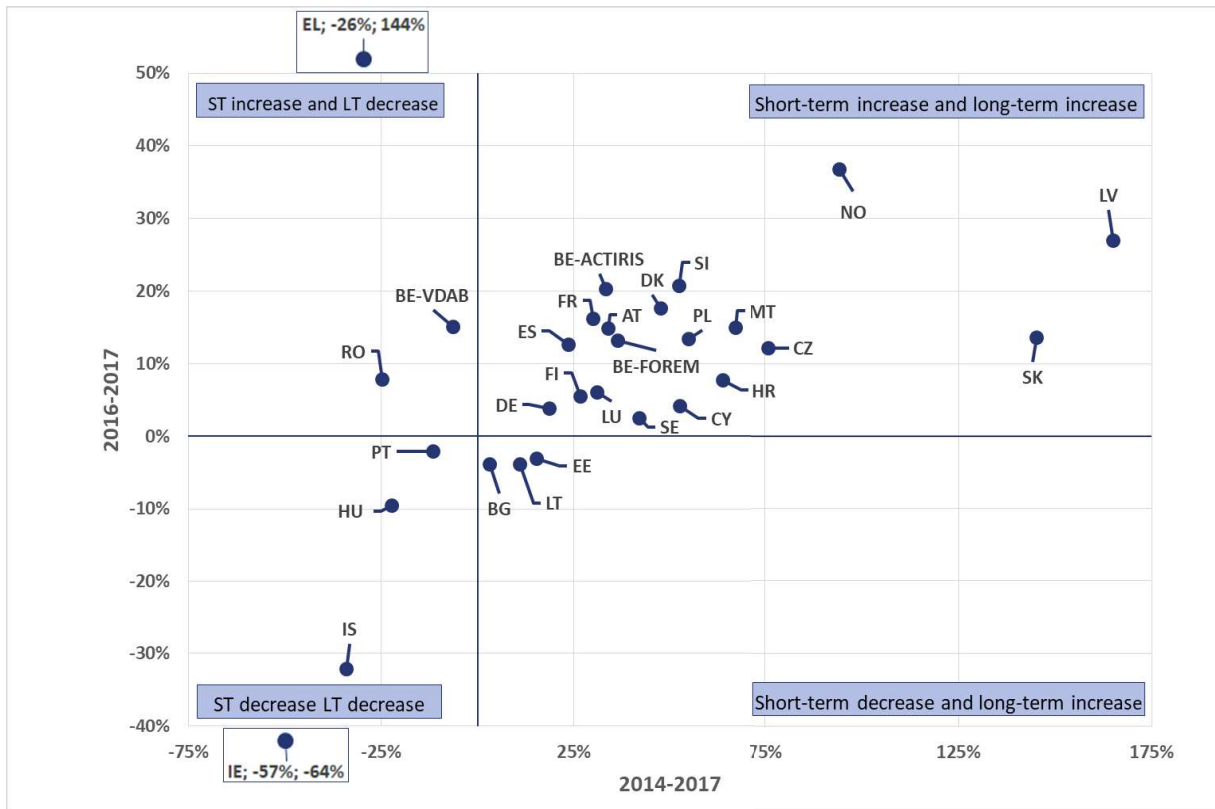
Note: The numbers refer to the annual average of the number of vacancies notified each month.

Note: No data or insufficient data were available for IT and NL.

In contrast to the development of job-seeking clients, most PES are experiencing increasing numbers of vacancy notifications in the short-term as well as in the longer term. Bulgaria, Lithuania and Estonia saw setbacks in the supply of vacancies last year, in spite of an overall modest trend since 2014. The Flemish, Greek, and Romanian PES saw the longer-term negative trend becoming positive during 2017.

The four PES with the most sombre market prospects are Portugal and Hungary, and even more so, Iceland and Ireland, which all continue to see the number of available vacancies decreasing.

Figure 8. Longer-term change in the number of vacancies (2014-2017) compared to the most recent short-term change (2016-2017)



Source: PES data provided via PES data collection for the Benchlearning project, 2018.

Note: The numbers refer to the annual average of the number of vacancies notified each month.

Note: No data or insufficient data for IT and NL.

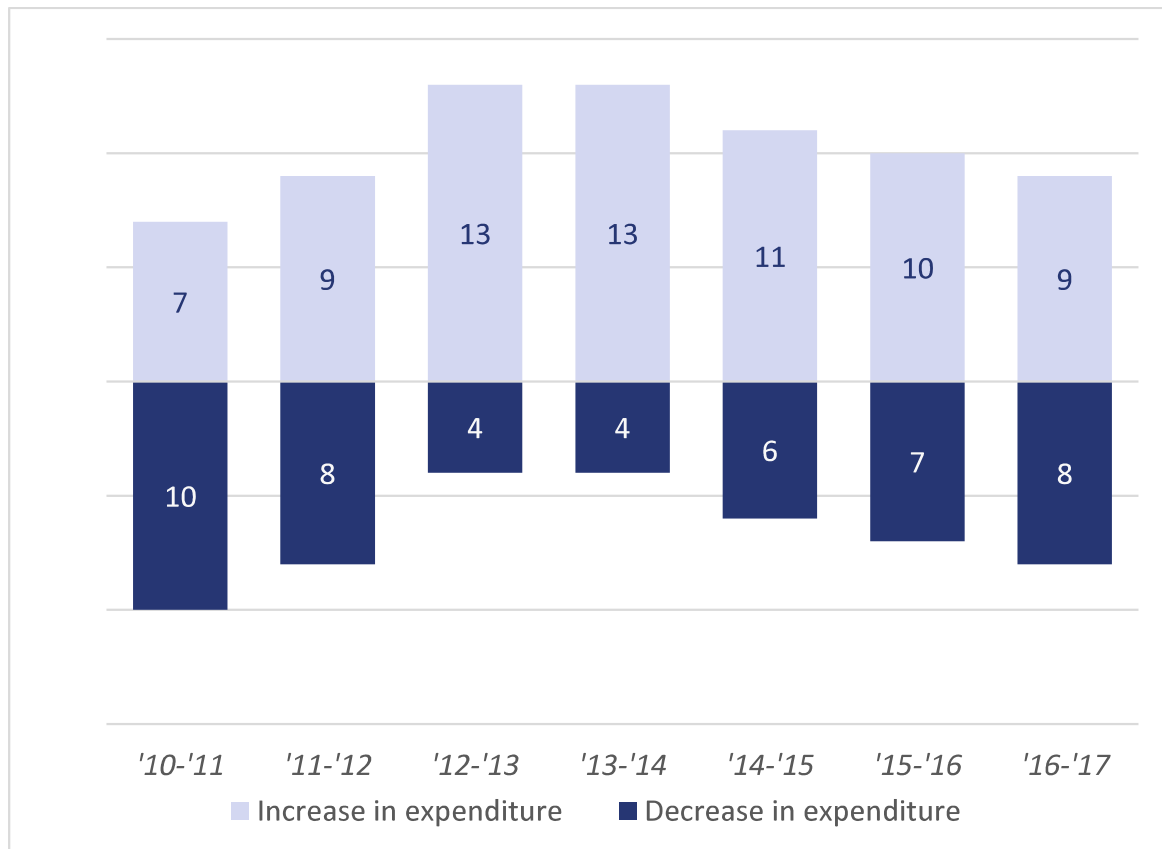
4. PES internal resources

4.1. PES financing and annual expenditure

To ensure comparability across PES, the financial comparisons in this section do not include expenditure on unemployment and other benefits or pro forma expenditure²². Overall, total expenditure excluding these two categories steadily increased in recent years²³. Between 2016 and 2017, however, there was an overall decrease.

In spite of the medium-term increase, the number of PES with increasing budgets has gone down since 2013, while the number of PES reporting decreasing budgets has once again increased. Since the financial figures do not include benefit payments or pro forma expenditure, the increase either reflects general expenditure or expenditure on ALMPs. General expenditure also includes staff administering unemployment or other benefits, so part of the decrease may be related to the decreasing numbers of job-seeking clients.

Figure 9. The number of PES reporting changes in total expenditure, excluding benefits paid and pro forma expenditure, 2010-2017



Source: PES data provided via PES data collection for the Benchlearning project, 2018.

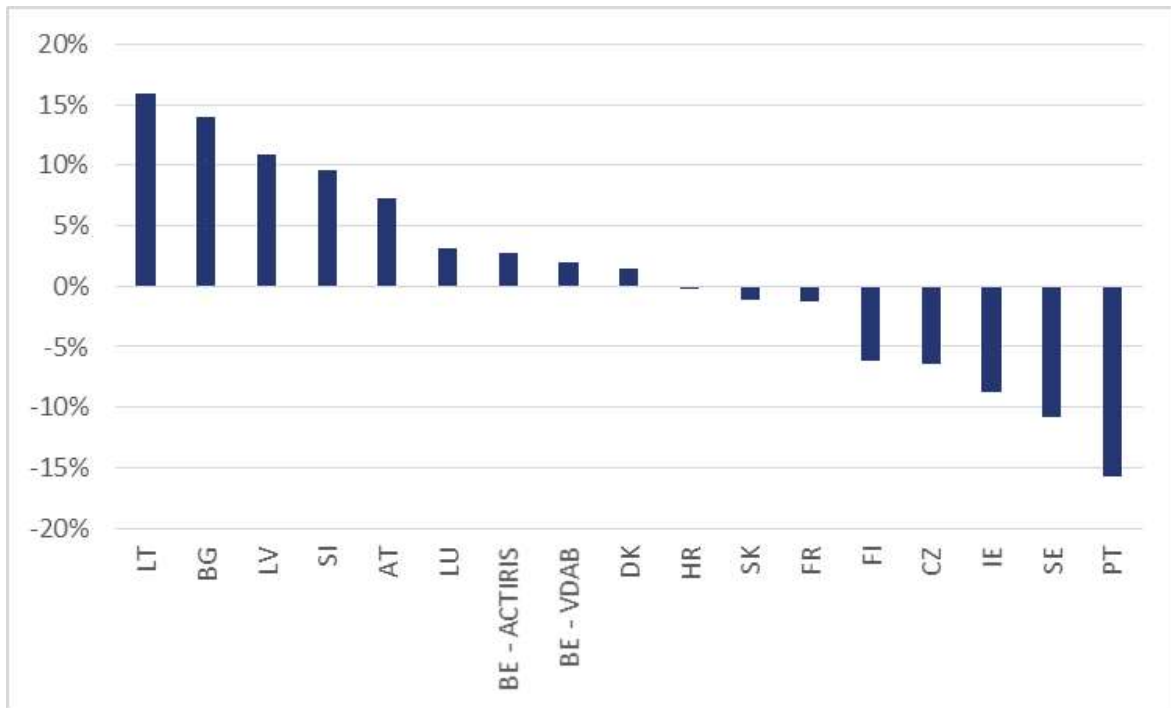
Note: 17 PES. No information or insufficient information for BE-FOREM, CY, DE, EE, EL, ES, HU, IS, IT, MT, NL, NO, PL and RO.

The overall decrease occurred because almost all PES with medium (CZ, FI, IE and PT) to high (FR and SE) budgets compared to other PES saw their expenditure decreasing. The Austrian PES saw the spending of its - relatively large - budget increasing, as did the Belgian VDAB which has a more medium-sized budget.

²² Expenditure items that feature in the PES budget but are transferred to other organisations without any involvement in their further spending.

²³ In the 17 PES for which this information is available.

Figure 10. Percentage change in PES expenditure, excluding unemployment benefits, 2016-2017



Source: PES data provided via PES data collection for the Benchlearning project, 2018.

Note: No or insufficient information for BE-FOREM, CY, DE, EE, EL, ES, HU, IS, IT, MT, NL, NO, PL and RO.

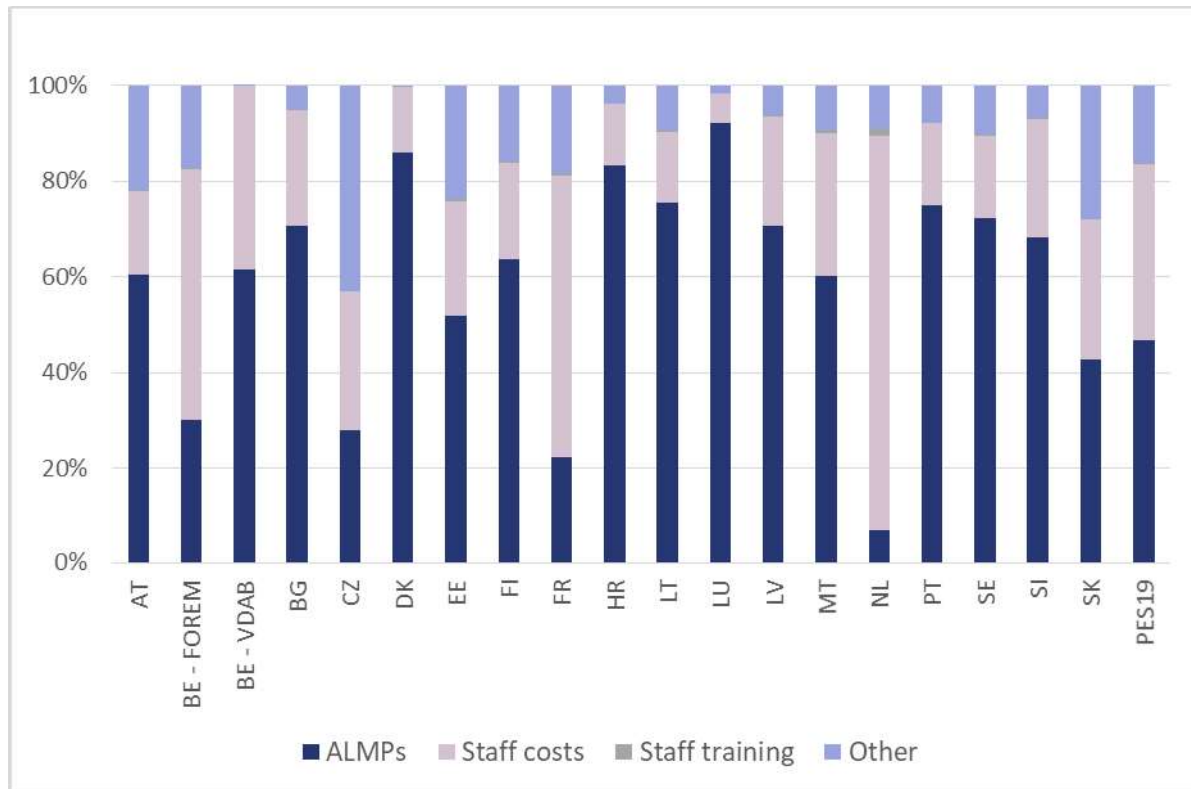
Note: Irish expenditure does not include staff costs.

Looking at the total amount of money spent in Europe by PES²⁴, almost half of this amount went to ALMPs and almost 40% went on staff costs. Staff training costs constituted less than a half per cent of the expenditure, while some 16% of the expenditure was spent on 'other' costs.

To summarise what is happening in individual PES, the average of the share spent on certain items can be a more telling indicator. The average share was higher than suggested above for ALMPs (59.0%), lower for staff costs (28.2%), similar for staff training (0.3%) and lower for other types of budget items (12.5%).

²⁴ I.e. the 19 PES for which information on the various expenditure items in 2017 is available, still excluding benefit payments and pro forma budget items from the analysis.

Figure 11. Expenditure by item in 2017, as a percentage of total expenditure excluding benefit payments and pro forma budget items



Source: PES data provided via PES data collection for the Benchlearning project, 2018.

Note: No information or insufficient information for BE-ACTIRIS, CY, DE, EL, ES, HU, IS, IE, IT, NO, PL and RO.

The overall division of expenditure over budget items is determined to a large extent by the situation in the PES with the largest budgets (AT, FR and SE). As the table below shows, in most of the nineteen Member States, the share of ALMPs is actually much higher than the overall or the average figure, and it typically amounts to more than 60%, 70% or even 80%.

Further analysis has shown that the share of the budget spent on ALMPs is not explained by the size of the budget. France and Austria, for example, are both countries with relatively large budgets, but while France spent 22.3% on ALMPs and Austria spent 60.6%. Three quarters of the PES with smaller budgets spend more on ALMPs, compared to 60% of the PES with relatively high budgets. This makes for a very weak relationship. The share of expenditure on ALMPs depends even less on the unemployment rate (see table below).

One could expect staff costs to make up a more significant share of expenditure in PES responsible for unemployment or other benefits. Again, this is not corroborated by the information currently available on the PES. If anything, the share of staff costs would seem slightly higher in those PES which have no responsibilities for handing out benefits.

The share of the budget spent on staff training seems to be higher in those PES that have no involvement in benefit administration. Further analysis, involving other factors will be needed though to test this and explain this finding.

The following table provides information on the division of expenditure between various budget items. The outcomes should be treated with caution, as more information and further analysis is required to draw conclusions from these figures.

Table 4. Expenditure by item in 2017, as a percentage of total expenditure, excluding benefit payments and pro forma budget items, for PES showing differing responsibilities on benefit administration

	ALMPs	Staff costs	Staff training	Other	UR 2017*
PES with no responsibilities regarding benefit payment					
BE-FOREM	30.2%	52.3%	0.12%	17.3%	9.7
BG	70.7%	24.0%	0.11%	5.1%	6.2
FI	63.7%	20.2%	0.14%	16.0%	8.6
LT	75.5%	14.9%	0.04%	9.6%	7.1
LV	70.7%	22.9%	0.08%	6.4%	8.7
MT	60.2%	29.9%	0.56%	9.4%	4.6
NL	6.8%	82.8%	1.44%	9.0%	4.9
PES responsible for unemployment benefits					
FR	22.3%	58.8%	0.66%	18.3%	9.4
HR	83.2%	12.9%	0.00%	3.9%	11.1
PT	75.0%	17.2%	0.03%	7.8%	9
SI	68.2%	24.8%	0.14%	6.9%	6.6
PES responsible for unemployment benefits as well as other benefits					
AT	60.6%	17.3%	0.38%	21.7%	5.5
CZ	27.9%	29.1%	0.04%	43.0%	2.9
EE	51.8%	23.9%	0.7%	23.6%	5.8
LU	92.2%	5.9%	0.02%	1.8%	5.6
PES only responsible for other benefits, but not unemployment benefits					
BE-VDAB	61.6%	38.2%	0.14%	0.1%	4.4
DK	86.1%	13.6%	0.00%	0.3%	5.7
SE	72.4%	17.1%	0.31%	10.2%	6.7
SK	42.7%	29.3%	0.02%	27.9%	8.1

* Unemployment rate 2017, <https://ec.europa.eu/eurostat/web/lfs/data/main-tables>. Unemployment rates represent unemployed people as a percentage of the labour force, downloaded on 2018/10/25. For BE-FOREM and BE-VDAB: <https://ec.europa.eu/eurostat/documents/2995521/8830865/1-26042018-AP-EN.pdf/bb8ac3b7-3606-47ef-b7ed-aadc4d1e2aae>.

Note: No information or insufficient information for BE-ACTIRIS, CY, DE, EL, ES, HU, IS, IE, IT, NO, PL and RO.

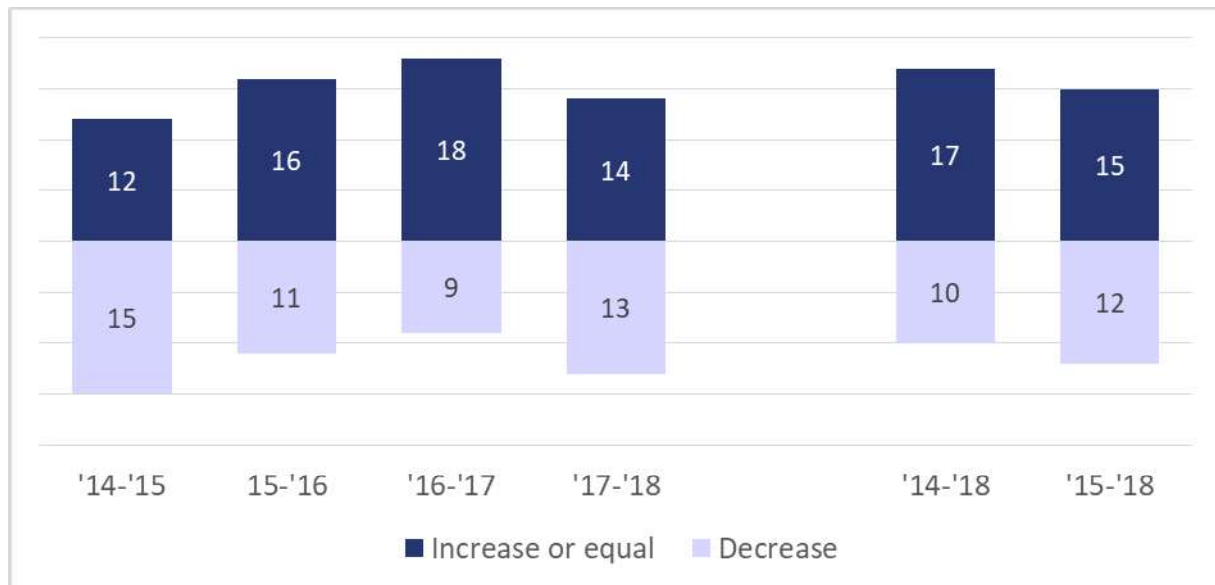
4.2. Human resources

4.2.1. Total staff numbers and developments between 2014 and 2016

Information on total staff numbers is available for 27 European PES, excluding IE, IT, NO and PL where not enough data was available. Collectively, the total staff, measured in Full-Time Equivalent (FTE)²⁵, fluctuates over the year but in April 2018 it was once again more or less the same as April 2015. During the period April 2017 to April 2018, however, total FTE staff in these PES decreased by 0.2%.

This development is mirrored in a lower number of PES experiencing an increase in their staff between April 2017 and April 2018 (14) compared to the period April 2016 to April 2017 (18).

Figure 12. The number of PES experiencing an increase or a decrease in staff (in FTE) between 2014 and 2018 (30th April)



Source: Responses to PES Capacity Report questionnaire 2015-2018.

Note: Based on 27 PES, no information or insufficient information for IE, IT, NO and PL.

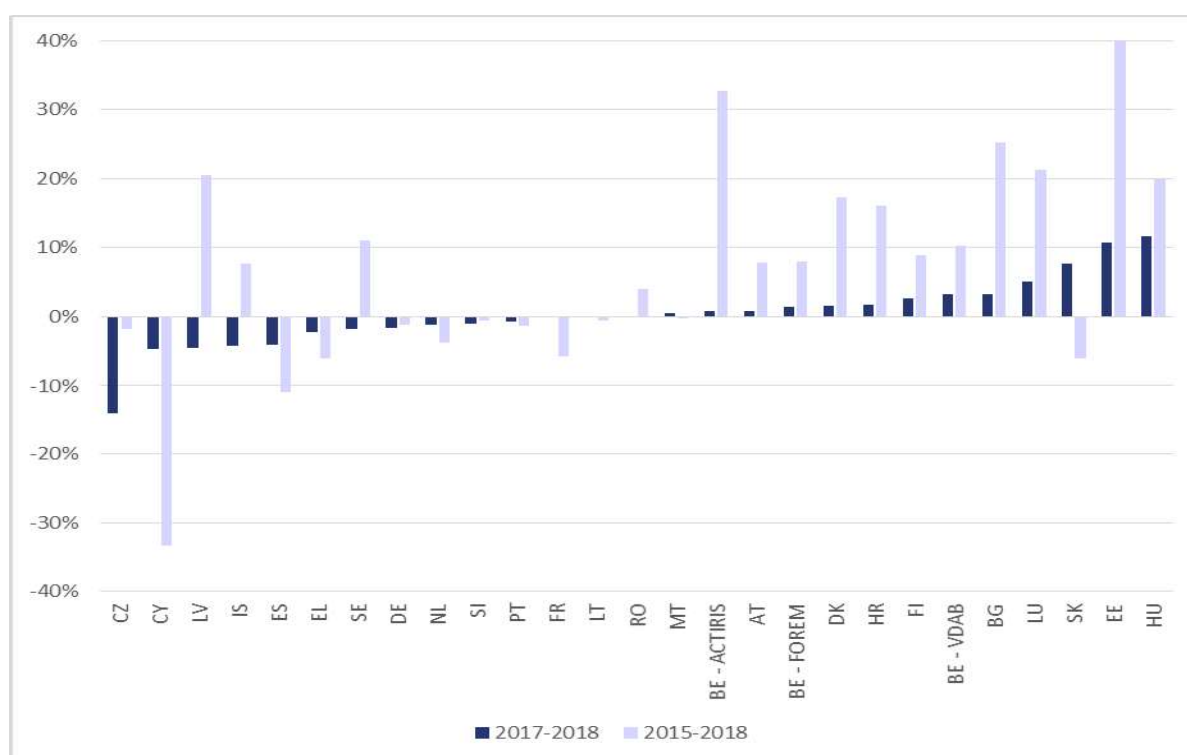
Note: All data refer to 30th April or the closest date to this date for which data were available in a PES.

For PES with larger staff numbers (as expressed in FTE) in 2018 than the year before, this typically takes place in the context of a longer positive trend. The highest increases occurred in Estonia and Hungary, followed by the Slovakian PES, the only one to experience a turnaround from a longer term negative trend in staff in this period.

For PES with decreasing staff numbers last year, a more mixed picture emerges. For most of these PES a negative trend was already visible in the previous year. Latvia, Slovenia and Sweden saw staff numbers decrease in spite of a longer-term upward trend.

²⁵ Full-time equivalent is a unit of account used to express the size of a workforce. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees. It is calculated as the ratio of the total number of paid hours during a period (part time, full time, contracted) to the number of working hours in that period (Mondays to Friday).

Figure 13. Percentage change in the number of staff last year, April 2017 - April 2018 and longer term trends, April 2015 - April 2018



Source: Responses to PES Capacity Report questionnaires 2015-2018.

Note: Based on 27 PES, insufficient data available for IE, IT, NO and PL.

Note: All data refer to 30th April or the closest date to this date for which data were available in a PES.

Fifteen PES plan to implement staff increases in 2018, while a far smaller number (six) plan decreases this year. The Flanders PES in Belgium foresees both an increase and a decrease this year. Some 44 additional FTEs are expected to strengthen services for clients with work disabilities. On the other hand, a decrease of 35 FTE specialised counsellors for strengthening the competences of refugees is foreseen. Neither increases nor decreases are expected in eleven PES (AT, CZ, DK, EE, HU, IE, IS, MT, PL, SI and SK). In Hungary the situation was uncertain at the time of the survey, as a new government was set up after the General Election of May 2018. The operational structures were under negotiation at the time of survey.

Staff reductions are associated with budget reductions and reorganisations, as can be seen from the explanations provided for them in the following table.

Table 5. Reason for planned staff reductions in 2018

PES	Reasons
FR	Within the framework of the Finance Bill 2018, state operators were asked to participate in a budgetary effort. For Pôle emploi (the French PES), this will translate in 2018 into a reduction of up to 297 staff (FTEs), i.e. a reduction of 0.6% compared to 2017.
LT	After the structural reform scheduled to finish on 1st October 2018, the number of staff will be reduced by 143 positions (mainly administrative and support staff). The total staff count will be 1,290. The number of front office staff will essentially remain the same.
NO	Employees at central level who leave the organisation will not be replaced unless filling their position is critical. The organisation will be starting to downsize over the next 3-5 years – though hoping to avoid lay-offs.
SE	An estimated reduction of 700 staff is foreseen, due to a reduction in the PES's budget.

Source: Responses to PES Capacity Report questionnaire 2018.

No information on the reasons behind the reduction is available for LV, but the PES is expecting a decrease in staff numbers. For SE an estimated reduction of staff of 700 staff is foreseen due to a reduced budget.

One objective when hiring more staff is the introduction or the expansion of specific services or services designed to reach specific target groups. Examples of this are the intensification of personal services for (long term) unemployment benefit recipients in the Netherlands, and, in Cyprus, services for NEETs (a young person who is Not in Education, Employment, or Training), the LTU (Long-Term Unemployed), and 'hard to place' target groups. Another reason is the staffing of new projects from ESF funding such as in Bulgaria, Croatia, Hungary, and Romania. The newly hired staff are often counsellors but they can also include support staff, such as, in Greece, IT experts and lawyers.

Several PES make reference to the, often longer-term, planning of staff changes, such as those foreseen in the medium-term budget in Germany, the joint plan of national regional governments for the strengthening of ALMPs in Italy, or the special programme to regulate precarious employment in Portugal. In Wallonia, the Human Resources Allocation Plan of Le Forem makes it possible to anticipate foreseeable leavers and to know in advance replacement needs.

Table 6. Reason for planned staff increases in 2018

PES	Reasons
BE - ACTIRIS	The increases mostly belong to a backlog of recruitment approved last year, and the new personnel plan.
BE - FOREM	Various actions are planned in 2018 that will increase the total staff of the PES, thanks to: <ul style="list-style-type: none"> • The Human Resources Allocation Plan which makes it possible to foresee who might leave and know replacement needs in advance. • 160 other fixed-term and open-ended contracts linked to unforeseeable leavers which are planned, mainly among advisers. Consultations on reserves are under way to fill these posts. • New reserves will also be built up on an ongoing basis in order to assign advisers to the Job support Services Directorates as a priority. • The same applies to trainers' posts where recruitment reserves are being developed.
BG	An increase in the recruitment of additional staff is planned, to implement newly approved projects funded by ESF, such as "Work", "Ready for work", "Start of the Career" and other projects.
CY	Hiring 30 additional counsellors is foreseen. According to one of the European Commission's Country Specific Recommendations for the Cypriot PES, it needs to enhance its capacity to support its outreach activities for NEETs, and improve its services for the LTU and other hard to place target groups, for example Guaranteed Minimum Income recipients. Their main responsibilities will be counselling, matching, employers' mediation activities, as well as training their clients to promote the integration of these groups into the labour market.
DE	The development of employment opportunities, already foreseen in the medium-term budget, will continue with the 2018 budget. As of December 31, 2018, 750 temporary (posts to be cancelled in the future) will therefore be realised as planned. So, temporary new jobs will be created in the PES but they will be cancelled in future.
EL	New staff are expected to be hired to cover the current PES needs. More specifically, there are plans to hire employment counsellors, IT experts and lawyers.

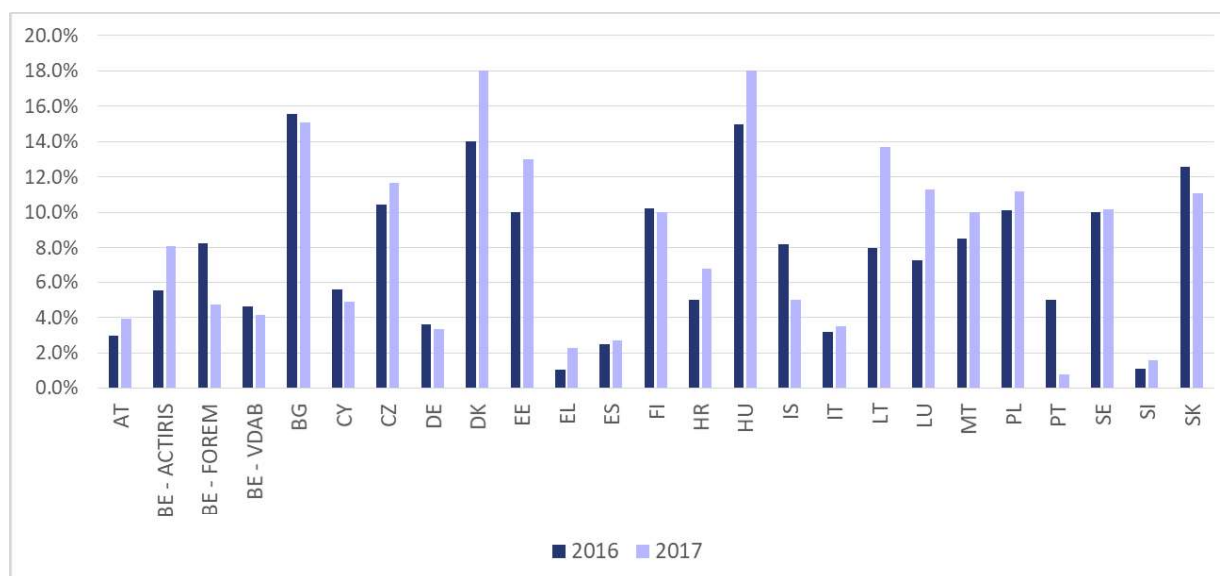
PES	Reasons
ES	<p>Authorisation has been given to appoint temporary staff in different categories, Public Employment Opportunities (100% re-staffing rate).</p> <p>They were awaiting a resolution from the Sub-secretary of the Department and the Ministry of Taxes and Public Function to authorise the Public Service of State Employment to hire temporary staff in:</p> <ol style="list-style-type: none"> Vacant posts Temporary substitution of existing staff Programme-based staff The coverage of excess workload for a maximum period of six months, in accordance with Article 10.1 of Royal Legislative Decree 5/2015 of 30 October, approving the consolidated text of the Basic Statute on Public Service Employees. <p>Increases also relate to a request to include in Public Employment Opportunities the number of positions in the Organisation to reach 100% re-staffing, in accordance with the Government-Union Agreement of 29/03/2017 on Improving Public Service Employment.</p>
FI	<p>More staff will be required to serve more customers due to a new proposal to 'activate' more unemployed people which came into effect on 1st of January 2018. The new proposal requires unemployed jobseekers to fulfil a so called 'activity requirement' within a 65-day review period of receiving unemployment benefit so that the benefit will be paid in full for the 65 days following the review period as well (approximately 3 months). If the activity requirement is not met, the unemployment benefit will then be reduced.</p>
HR	<p>They plan to hire additional staff in the Office for financing and contracting EU projects.</p>
IT	<p>An increase was foreseen after the approval of a joint plan for the strengthening of ALMPs in December 2017.</p>
LU	<p>New staff is needed for:</p> <ul style="list-style-type: none"> The re-engineering of internal procedures (i.e. the 'pre-inscription' and restructuring of the PES registration process) and service offers ("e-ADEM") New services for special target groups - asylum seekers, the LTU and disabled workers
NL	<p>The new coalition agreement includes additional means for intensifying personal services</p>
PT	<p>It is expected that Public Administration temporary workers (those on fixed-term and open-ended employment contracts) are reassigned on a permanent basis under a specific programme launched by the Portuguese Government (Programa de Regularização Extraordinária dos vínculos precários).</p>
RO	<p>Temporary staff will be hired for ESF funded projects, outside the organisational chart. The projects have only recently started, so the additional staff have not yet been hired.</p>

Source: Responses to PES Capacity Report questionnaire 2018.

4.2.2. Staff turnover and the changing deployment of staff

Overall, PES staff turnover rates (i.e. the proportion of total staff leaving the PES in a given year) have increased since the year before. The average staff turnover rate rose from 7.5% in 2016 to 8.2% in 2017.

While sixteen PES had higher staff turnover rates than in 2016 only nine PES had lower staff turnover rates in 2017, and the information for six PES was not available for both years. Strong *increases* in staff turnover rates occurred in Denmark (from 14 to 18%), Greece (10-13%), Hungary (14-18%), Lithuania (from 8.0% to 13.7%), and Luxembourg (from 7.3% to 11.3%). A high decrease in the staff turnover rate could be observed for BE_FOREM (from 8.3% to 4.7%) and especially for the Portuguese PES where the turnover rate went down from 5.0% to 0.8%.

Figure 14. Overall staff turnover in 2016 and 2017 (in %)


Source: Responses to PES Capacity Report questionnaire 2017 and 2018.

Note: No information or insufficient information for FR, IE, LV, NL, NO and RO.

Note: Staff turnover is defined as 'the proportion of total staff leaving the organisation over a set period of one year for whatever reason (including retirement, leaving voluntarily, redundancy, etc.)'.

Fourteen PES foresee changes in the deployment or allocation of their staff for 2018. The content, as well as the background, of these changes is varied. Sometimes the introduction of new services leads to staff changes. In Belgium's Brussels regions Actiris has its 'city of crafts' (Cité des Métiers) and VDAB has a 'working in neighbourhoods' programme. The introduction of a new strategy such as the new activation model in Finland, or the Swedish newly operational 'logic/customer-client' strategy, will also lead to deployment changes. The changes may reflect a more fundamental reorientation such as the shift in France from services based around passive measures to active measures, or from services for the unemployed to the more vulnerable including the incapacitated in the Netherlands, or towards end-users in Norway. Institutional changes also engender a re-allocation of staff, for example in the case of the introduction of PES at regional level (Latvia) or the establishment of a new unit exclusively responsible for the registration of jobseekers (Luxembourg).

Table 7. Planned changes in deployment or allocation of staff for 2018

PES	Explanations
BE - ACTIRIS	The changes include the creation of new services such as the <i>Cité des Métiers</i> (city of crafts) and the deployment of internal work forces to realise Actiris's strategic projects related to its 2017-2022 Management Contract.
BE - VDAB	100 FTE counsellors have been deployed to run <i>Wijk-Werken</i> (working in neighbourhoods) since January 2018.
CY	30 additional new counsellors will support outreach activities on NEETs and improve its services for the LTU and other 'hard to place' target groups.
DE	In order to check the regional distribution of human resources, a calculation model has been developed with the participation of practitioners. The aim is to create transparency regarding current regional imbalances in the allocation of positions for planned staff (Plankräfte) in key areas of responsibility as a basis for regional compensation. Plankräfte are positions in public organisations that do not depend on the availability of budget funds, but for which funding is made available if the job has been approved in the Budget Act.

PES	Explanations
EL	Changes are expected to be made in order to cover existing needs, but also because of the imminent implementation of the new PES organigram.
FI	Changes are related to the new proposal to activate the unemployed which came into effect the 1st of January 2018 requiring more staff to serve more customers (see previous section).
FR	In 2017 a reduction occurred in the number of counsellors in charge of rights/unemployment benefits management in favour of staff in charge of supporting jobseekers and implementing the Professional Development Advice (CEP). In 2018, further changes are needed, due to the fact that the budget for subsidised employment received by Pôle emploi staff was reduced.
LU	The changes in the allocation of staff are linked to the re-engineering of internal procedures. For example, the registration of new jobseekers is currently done by PES advisors. By the end of 2018, a new unit was to be established that was exclusively responsible for the registration of jobseekers. The objectives were twofold: 1) to increase the data quality as the registration will be done by specialised staff; 2) the PES advisors will have more time for the counselling of jobseekers.
LV	Changes are foreseen in the structure of the PES: the establishment of nine Regional offices in addition to the already existing 28 Client centres at the local level, thus strengthening the operation on the regional level for the benefit of PES customers.
NL	A general trend already visible in 2017 is that increasingly more budget/capacity is focussed towards services for the reintegration of incapacitated people and less to services for unemployment benefit recipients (amongst others because of the decreasing inflow into these benefits). This trend will continue in 2018.
NO	A continuation of the process of reallocating staff towards 'end users'/clients that began in 2017.
SE	There will be certain changes during 2018 and 2019 due to the reorganisation and the newly operational 'logic/customer-client' strategy.
SI	The number of staff dealing with work permits for third country nationals will be further increased by re-allocation of existing staff and through extra working hours. The reason behind it is a substantial increase in the number of applications for work permits.

Source: Responses to PES Capacity Report questionnaire 2018.

Note: No information is available on the context of the changes, but similar changes are also foreseen in Hungary.

4.2.3. Dedicated employment counsellors for tailored support

Front office staff in PES carry out roles relating to matching, counselling, advising, training and so on. The share of PES staff directly in contact and dealing with clients ranges from 23.4% in Germany to 88.1% in Slovakia. The average share amounts to 63.6%. Most of the PES have more than 50% of staff working in the front office, while seven have above 75% (AT, BG, FI, HU, LV, NL and SK).

PES with no responsibilities regarding benefit payment on average have a higher share of their staff working directly with clients. This average is even higher for PES that administer social allowances but that do not administer income replacing benefits in cases of unemployment. The fact that the administration of unemployment benefits requires more back office work related to evaluating claims calculating benefit levels and so on, may partially explain these differences.

Table 8. Proportion of front office staff in PES with different responsibilities for benefits, April 2018

None	%	Unemployment Benefits (UB)	%	UB and other benefits	%	Other benefits	%
BE-ACTIRIS	58.2	DE	23.4	AT	77.0	BE-VDAB	65.8
BE-FOREM	52.3	FR	71.6	CZ	43.5	SE	73.5
BG	83.0	HR	61.7	EE	60.7	SK	88.1
CY	74.4	HU	83.9	EL	42.4		
FI	87.0	PL	44.2	ES	65.4		
IT	28.9	PT	34.7	IE	56.2		
LT	72.3	RO	69.9	IS	61.9		
LV	77.5	SI	71.7	LU	61.7		
MT	68.3						
NL	84.2						
Average	68.6		57.6		58.6		75.8

Source: PES Capacity questionnaire 2018.

Note: 29 PES, not or insufficient information on DK and NO.

Front office staff can be assigned to work with all clients or all visitors, but a majority of the PES also assign teams or staff office workers to specific groups. The typical model for providing targeted front office services is the use of specialised counsellors for different groups, notably jobseekers or employers, as well as counsellors dealing with both groups (AT, BE_ACTIRIS, BE_FOREM, EE, EL, IE, IS, LT, LU, MT, SE, SI and SK). A second group of PES assigns counsellors to *either* jobseekers *or* employers, not the two combined (BG, CZ, DE, FR, HR, HU, LV and NL). It is rare for PES to only have counsellors servicing both jobseekers and employers, but this is the case in three PES (BE-VDAB, CY, and DK). Four PES not make use of teams or counsellors for specific groups (FI, IT, PL and RO).

Table 9. Front office staff targeting specific groups, April 2018

	Y/N targeting	Employers	Jobseekers	Both
Yes	25	21	22	16
No	4	7	6	12
ni	2	3	3	3
	31	31	31	31

Source: PES Capacity questionnaire 2018.

Note: 29 PES, no information or insufficient information (ni) on DK and NO (targeting Y/N), and on NO, PL, PT (specific targeted groups).

5. Active labour market policies used by PES

5.1. Recent developments in ALMPs

Nineteen PES reported the introduction of new ALMPs, and 20 PES reported amending existing ALMPs to better respond to current labour market conditions in 2017. On average, this affected 3.3 new and 3.2 modified ALMPs for every PES that made these changes. The average numbers of ALMPs introduced and modified were higher than the 2.9 in 2017 and 2.6 in 2016.

In 2017, thirteen PES both introduced new ALMPs and made changes to existing measures. Five PES saw no changes at all in their ALMPs. The following table provides a detailed overview.

Table 10. New ALMPs introduced - or existing ones modified in 2017

PES	New ALMPs	No	Modified ALMPs	No	Both	Neither
AT	Y	2	N	0		
BE - ACTIRIS**	Y	3	Y	8	X	
BE - FOREM	Y	3	Y	2	X	
BE - VDAB	Y	3	Y	1	X	
BG	Y	5	Y	7	X	
CY	Y	6	N	0		
CZ	N	0	Y	1		
DE	N	0	Y	3		
DK	Y	3	Y	3	X	
EE	Y	3	Y	1	X	
EL	Y	4	Y	4	X	
ES	Y	1	Y	2	X	
FI	Y	1	N	0		
FR	N	0	Y	4		
HR	N	0	N	0		X
HU	Y	4	Y	2	X	
IE	N	0	Y	1		
IS	N	0	Y	5		
IT	Y	3	Y	1	X	
LT	Y	3	Y	4	X	
LU	Y	2	Y	3	X	
LV	Y	4	Y	1	X	
MT	N	0	N	0		X
NL	N	0	N	0		X
NO	N	0	N	0		X
PL	N	0	N	0		X
PT	Y	2	N	0		
RO	N	0	Y	4		
SE	N	0	Y	7		
SI	Y	5	N	0		
SK	Y	7	N	0		
Totals Y or X	19	63	20	64	13	5

Source: Responses to PES Capacity Report questionnaire 2018.

In 2017 about one fifth of the new measures was still directed at young people. It remains the main category for new ALMPs. In Bulgaria, for example, the new 'Ready to work' project launched in April 2017 specifically targets NEETs and aims to activate and motivate them to start training or work. Another six and seven of the new measures were aimed at long-term older workers or the unemployed in general. Furthermore, Greece launched an 'Innovative Response for Facilitating Young Refugees' Social Support', specifically targeting young refugees under ERASMUS+.

The number of new measures targeting other specific groups, such as unemployed older workers, the long-term unemployed, the disabled or refugees is small. A number of measures addressed multiple target groups, such as the three Lithuanian measures that provided assessment and the recognition of skills and competences during self-education and non-formal education apprenticeships, and internships. These three measures all aimed at young people the long-term unemployed, older workers, refugees, and two of them also at people with disabilities. Greece launched a 'Special New Jobs Creation Programme', designed to hire 2,000 people with disabilities, ex-drug addicts, ex-prisoners, young delinquents and young people in social peril. The Flanders PES on the other hand introduced three measures to reintegrate people not ready for the labour market through various forms of work experience.

Amongst the other measures three sorts of initiatives should be mentioned as relatively new and/or gaining in importance.

Firstly, in Estonia and Spain, new measures focusing on both workers and companies, help workers and companies adapt their skills and qualifications of the workforce. A new '*Work and study programme*' in the Estonian PES supports a) employees who need support in changing jobs, or support in remaining employed due to a lack of skills or their skills being outdated and b) employers in finding and training suitably skilled workforce and in restructuring their companies. In Spain, a Decree of July 2017 attempted to foster and extend vocational training among companies and workers (whether employed or not) to improve the workers' employability and their continuing professional development. While this addressed the needs of the productive system and business competitiveness, it also contributed to a knowledge-based productivity model. A new programme in Hungary aims to prevent and manage lay-offs and support Hungarian employees threatened by group layoffs. In addition, a new subsidy programme for job-creating investments by SMEs foresees jobs for unemployed jobseekers, though the jobs will not exclusively be for the unemployed. Bulgaria has made training vouchers available for employed people without tertiary education. The Danish PES is the only one to address the situation of workers in flexible jobs through a new programme. It targets people who already are in a flexible job (with a maximum of 10 hours a week) or who have been screened to be able to work in a flexible job.

Secondly, several PES developed new measures for people with low skills or qualifications. ACTIRIS simultaneously supports low skilled or long-term unemployed jobseekers and SMEs, with the new '*Intervention sur l'offre et le demande d'emploi*' (demand and supply intervention). Austria has introduced a training guarantee for young people who left school at the minimum age. In Wallonia '*Impulsion -25*' started in 2017 to help young people, either lacking qualifications or with poor qualifications, to find work by offering their employer a wage costs subsidy.

Thirdly, two new measures with a specific regional or regional mobility focus are also worth mentioning. Italy launched its so-called 'employment incentive for the south' aimed at unemployed young people aged 16-24 from less developed and transitional regions in the southern part of Italy. The Slovakian PES now offers jobseekers in its least developed districts a 'Pathway to the labour market', which includes employment incentives, mobility support, job creation measures and individual counselling.

Compared to 2016, the share of new ALMPs combining various types of measures has increased from 8% to 20%. As these combinations predominantly contain direct job creation, sheltered and supported employment and rehabilitation, and above all employment incentives, the emphasis observed in the previous report on measures that have an immediate link with employers and the workplace remains. Amongst the modified ALMPs were more direct job creation and start-up incentives than 2016, so the decrease in the share of training measures was revised.

Table 11. Types of new or amended ALMPs in 2017

ALMP type	New		Amended	
2 Training	17	27%	17	27%
4 Employment incentives	25	40%	22	34%
5 Sheltered and supported employment and rehabilitation	5	8%	5	8%
6 Direct job creation	3	5%	5	8%
7 Start-up incentives	0	0%	2	3%
Other*	13	21%	13	20%
Total	63	100%	46	100%

Source: Responses to PES Capacity Report questionnaire 2018.

* The category other usually concerns 'multiple' categories, counselling and mentoring.

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

5.2. The deployment of active measures for specific client groups

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

Training and employment incentives remain the type of measure most often used by all target groups, supplemented by supported employment and rehabilitation for the disabled. This year direct job creation for the long-term unemployed can be added to this list, as no less than 22 PES used this type of measure for this group, compared to sixteen in 2017.

Overall, PES use a larger variety of measures for young people and the long-term unemployed than they do for older workers and people with disabilities. The number of measures and the variety of measures deployed for refugees is known for the first time this year and it is clearly lower than the number used for the other target groups. Given the size of the group in many countries and the fact that measures for this group have only been introduced in more recent years, this does not come as a surprise.

Table 12. Types of measures primarily used for target groups in 2018

ALMP type	Young people	Long-term unemployed	Older workers	People with disabilities	Refugees
2 Training	AT, BE - ACTIRIS, BE - FOREM, BE - VDAB, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (29)	BE - ACTIRIS, BE - FOREM, BE - VDAB, BG, CY, CZ, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, SE, SI and SK (25)	BE - VDAB, BG, CY, CZ, DE, DK, EE, EL, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, SE, SI and SK (23)	AT, BE - VDAB, BG, CZ, EE, EL, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, SE, SI and SK (21)	AT, BE - VDAB, BG, CZ, DK, EE, EL, FR, HR, IE, IS, LT, LU, LV, MT, PL, PT, SE and SI (19)
4 Employment incentives	BE - ACTIRIS, BE - FOREM, BE - VDAB, BG, CY, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (27)	AT, BE - ACTIRIS, BE - VDAB, BG, CY, DK, EE, EL, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI, and SK (24)	AT, BE - ACTIRIS, BE - VDAB, BG, CY, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (25)	BE - VDAB, BG, CY, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PL, PT, RO, SE, SI and SK (24)	BE - VDAB, BG, CY, DK, EE, FR, HR, IE, IS, LT, LU, LV, MT, PL, PT and SE (16)
5 Sheltered and supported employment and rehabilitation	BE - ACTIRIS, CZ, DE, FI, IT, LV and SK (7)	AT, BE - ACTIRIS, CZ, DE, DK, EE, ES, FI, FR, IT, LU, LV, SE, SI and SK (15)	BE - ACTIRIS, CZ, DE, DK, FI, FR, LV and SK (8)	AT, BG, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IS, LT, LU, LV, MT, PT, SE, SI, and SK (22)	DE, IE, LU, LV and SE (5)
6 Direct job creation	BE - ACTIRIS, BG, CZ, EE, EL, FI, HR, HU, IE, LT, LU, LV, PL, PT, SI and SK (16)	AT, BE - FOREM, BG, CZ, DE, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, SI and SK (22)	AT, BG, CZ, FI, HR, HU, IE, LT, LU, LV, PL, PT, SI and SK (14)	BG, CZ, EL, FI, HR, HU, IE, LT, LU, LV, MT, PL, PT, SI and SK (15)	BG, HR, LT, LU, LV, PL and PT (7)
7 Start-up incentives	BE - FOREM, BG, CZ, EE, ES, FI, FR, HR, HU, IE, IS, IT, LT, LV, PL, PT, SE and SK (18)	BG, CZ, EE, ES, FI, FR, HR, HU, IE, IS, LU, LV, PL, PT, SE and SK (16)	BG, CZ, EE, FI, FR, HR, HU, IE, IS, LU, LV, PL, PT, SE and SK (15)	BG, CZ, FI, FR, HR, HU, LT, LV, PL, PT, SE and SK (12)	FR, IS, LU, LV, PL, PT and SE (7)

Source: Responses to PES Capacity Report questionnaire 2018.

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

Note: No data or insufficient information available for NO. The measures used by the Dutch PES fall under category 1 (labour market services).

5.3. Target-setting

This year information was gathered about the main strategic targets in PES, such as the examples defined in the annual PES business plan for 2017. In Ireland, the Pathways to Work 2016-2020 strategy, for example, which is the current policy statement on labour market activation, sets out clearly defined goals and objectives, together with a wide range of key priority actions. Performance in relation to these targets is tracked and monitored against key milestones and metrics. This document informs the Strategy Statement of the Department of Employment Affairs and Social Protection which contains actions for achieving strategic objectives, targets and timeframes for achieving these goals.

Six PES do not set targets themselves. In Denmark, the design and implementation of ALMPs is largely decentralised to the municipalities. They are, however, benchmarked monthly against several indicators reflecting national political intentions and evidence regarding effective employment policies. In Poland and Spain, employment policy is strongly decentralised with the regional level playing a key role. In Poland regional (voivodeship) labour offices determine and coordinate the regional labour market policy, guided by the National Action Plan for Employment (NAPE). In Spain, SEPE coordinates the network of regional PES, but the strategic objectives are established annually by the National Government, according to the priorities of the moment. No targets are set in Italy, Slovakia or Greece. In Greece this is due to the ongoing reform programme known as the 'Re-engineering of the OAED's Business Model' and it includes training and other needs. The setting of targets and indicators (both strategic and operational) for the Greek PES is going to be completed at the end of 2018. Furthermore, in Belgium ACTIRIS has recently revised its full dashboard of seventeen indicators with strategic targets for specific client groups and this will apply from 2018 onwards.

The strategic targets set by the other 24 PES most often concern specific PES client groups. Fifteen PES formulated targets for the long-term unemployed. Several PES formulated more than one target for this group, together amounting to 28 indicators accompanied by targets (see also the following section). Fourteen PES formulated in total 24 targets for young people, including NEETs. Less frequent, but still mentioned by ten PES, are the fifteen targets related to people with disabilities. Eight PES set a total of nine targets between them for a broad category encompassing third country nationals, asylum seekers, refugees, migrants and Roma.

The number of targets set for measures or ALMPs is also high, but they are set by a smaller number of PES than those for the main client groups. Eleven PES set a total of nineteen targets between them on the employment situation of clients. It can be assumed that these were to measure the overall impact of PES efforts and other variables. Ten PES formulate 23 targets on training measures, and six PES have targets for outputs or results of PES interventions or ALMPs in general. Nine PES formulate thirteen strategic targets on vacancies.

Table 13. Strategic targets set by PES for 2017

	PES	Targets
Client groups		
Employers	5	5
Adult jobseekers	1	2
Youth - unemployed or NEETs	14	26
Older workers	4	6
LTU	15	28
Low-skilled	2	3
People with disabilities	10	15
Inactive	1	1
Newly registered	2	4
Third country nationals, asylum seekers, refugees, migrants and Roma	8	9
Women	2	2
PES services		
Integration contracts and individualised approach	6	8
Service delivery	3	4
Profiling and assessments and interviews	3	5
General targets regarding exit to employment regardless of clients groups and services provided or used	11	19
Vacancies, ALMPs		
Vacancies	9	13
Interventions/ALMPs	6	22
Training and skills and traineeships	10	23
Redeployment, subsidised employment and supported work	4	6
	5	8
Customer satisfaction, including quality indicators	9	26
Other	5	8

Source: Responses to PES Capacity Report questionnaire 2018.

Classification of targets performed afterwards.

Of all the strategic targets set by PES, 45% can be considered performance targets, i.e. targets for results or impacts of PES activities. A margin of error needs to be assumed here, as an exact classification of targets can only be properly done if the objectives and the accompanying 'intervention logic' are taken into account.

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