Better Public Employment Services

10 country cases to inform reforms in developing countries

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I. Introduction
Public Employment Services (PES)

Public employment services are specific government entities with various functions that support the promotion of employment, depending on national employment policies and its legislated remit. They plan and implement many of the active and sometimes passive labor market policies used to help workers enter the labor market, facilitate labor market adjustments, and cushion the impact of economic changes.

They also typically provide labor market information, offer job-search assistance and placement services, administer unemployment insurance benefits, and manage various labor market programs. They provide services to both job seekers and enterprises.

Source: ILO (2009)
PES review and goals

• Get a glance at the overall system and specific practices across ten countries
• Create an overview of the PES and the delivery chain among OECD nations.
• Understand how the different PESs operate and identify innovative practices
  • PES in general: autonomy, governance, management, etc.
  • The delivery chain: how are services delivered?
  • Provision of services: in-house, outsourced, or mixed?

Australia  Austria  Chile  Denmark
France  Germany  Ireland  Korea
Netherlands  United Kingdom
Objectives and outputs

Not (primarily) a classification of PESs, but to **identify** good practices across the delivery chain

**Illustrate** good practices for easy and ready-made sharing with clients

**Outputs:**
- 10 complete case studies using the Bank’s delivery chain framework
- Excel database the summarizes practices for the 10 case studies across the delivery chain
### Overview of the database

<table>
<thead>
<tr>
<th>General Information</th>
<th>Austria</th>
<th>United Kingdom</th>
<th>Australia</th>
<th>Netherlands</th>
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<tbody>
<tr>
<td><strong>Abbreviation</strong></td>
<td>AMS</td>
<td>JCP</td>
<td>SA</td>
<td>UWV and UWV-Weeks</td>
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<tr>
<td><strong>Name</strong></td>
<td>Arbeitsmarktservice</td>
<td>Jobcentre Plus</td>
<td>Institute for the</td>
<td></td>
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<td><strong>Organizational Structure</strong></td>
<td>Public agency</td>
<td>The Department for</td>
<td>Regulated under</td>
<td>UWV is</td>
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<tr>
<td><strong>Duties</strong></td>
<td>Job placement</td>
<td>Active labour market</td>
<td>Ensure that</td>
<td>Provision of</td>
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<tr>
<td><strong>Governance</strong></td>
<td>The Federal Ministry of</td>
<td>ICP is part of DWPand</td>
<td>As there is not a single</td>
<td>Both municipalities</td>
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<td><strong>Management</strong></td>
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<td>N/A</td>
<td>Work courses</td>
<td></td>
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<td><strong>Responsibilities</strong></td>
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<td>N/A</td>
<td></td>
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<td><strong>Developments</strong></td>
<td>In 2004, 2005 National</td>
<td>In 2001 Australian</td>
<td>In 2001 the</td>
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<tr>
<td><strong>Resources</strong></td>
<td>1,083 in 2014</td>
<td>637 (2014)</td>
<td>The network of about</td>
<td>Head office in</td>
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<td><strong>Number of Unemployed per 2014</strong></td>
<td>2,001 – 2,000</td>
<td>2,001 – 4,000</td>
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<td>Not available</td>
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<td><strong>Staff</strong></td>
<td>55/8 (Full Time)</td>
<td>11,000 (Full Time)</td>
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<td><strong>Budget</strong></td>
<td>655/8 (2014)</td>
<td>100 per Work Coach</td>
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<td>Not available</td>
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<tr>
<td><strong>Services</strong></td>
<td>7,000 in 2014</td>
<td>100 per Work Coach</td>
<td>Not available</td>
<td>Not available</td>
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<td><strong>Outreach</strong></td>
<td>General information available online, in the</td>
<td>Contact centres: links to customer calls and</td>
<td>Call center is available for</td>
<td>Call center and digital information</td>
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<tr>
<td><strong>Intake Clients</strong></td>
<td>Personal, in offices</td>
<td>Personal, in local offices</td>
<td>Personal, in offices</td>
<td>Personal regional and local offices</td>
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<tr>
<td><strong>Intake Registration</strong></td>
<td>Right to register</td>
<td>Right to register: UK</td>
<td>Right to register: all</td>
<td>Right to register: all</td>
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<tr>
<td><strong>Assessment and Enrolment</strong></td>
<td>Statistical profiling for</td>
<td>Soft profiling: a mixture</td>
<td>Statistical profiling</td>
<td>Statistical profiling</td>
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<tr>
<td><strong>Unemployment Benefits</strong></td>
<td>AMS is partly responsible for the administration of</td>
<td>JCF manages the unemployment benefits and Universal</td>
<td>Jobactive is not responsible for the</td>
<td>UWV (not UWV-Weeks) is responsible for the</td>
</tr>
<tr>
<td><strong>Social Assistance</strong></td>
<td>In Austria, there are two forms of minimum</td>
<td>Universal Credit (UC) is</td>
<td>Jobactive is not responsible for</td>
<td>Social assistance (WWII) is provided</td>
</tr>
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</table>
II. PES Models
PES models variate on several aspects

- Autonomy
- Range of services
- Benefits, conditionalities and sanctions
- Mode of service provision
- Management and performance evaluation

IDB and WAPES (2015) have identified three ways to group them according to:

I. Functions and range of services
II. Legal structure
III. Implementational structure
1. PESs according to functions and range of services (not intended to rank the quality or performance)

- **Comprehensive set of functions assigned as duties (5-6) and comprehensive range of services (over 80% in a given function)**
  - Germany, Austria, France, UK and Denmark

- **Core set of functions (3-4) as duties and moderate to comprehensive range of services**
  - Netherlands

- **Comprehensive set of functions as duties but moderate range of services (41-80%)**
  - Australia

- **Core set of functions with limited (up to 40%) to moderate range of services**
  - Chile

Source: IDB and WAPES (2015)
2. PESs according to autonomy

I. Public agencies responding to the ministry
   Austria, Denmark, Chile, France, Germany, the Netherlands

II. A line department of the ministry
    Ireland, Republic of Korea, United Kingdom

III. No agency or organization but ministerial responsibility
     Australia

Source: IDB and WAPES (2015)
3. PESs according to service provision

Most of the services are provided by the PES. Outsourcing for training and placement is done through pre-selection of providers and a voucher system.

The PES outsources 40% of its services while delivering 60% in-house. Outsourcing primarily in place for ALMPs.

The entire delivery of employment services is outsourced to private providers.

Source: Finn (2011)
III. PES Delivery Chain
Despite great variations in the systems, all countries seem to share a similar delivery chain:

1. **Outreach**
   - Public or Private Provision

2. **Intake**
   - Public or Private Provision

3. **Assessment Enrollment**
   - Public or Private Provision

4. **Provision of Services and Benefits**
   - Public or Private Provision

5. **Intermediation**
   - Public or Private Provision

6. **More Productive Employment**

Monitor and Evaluate

Adapted from SPJ Sourcebook
Delivery chain - Process for job seekers

Outreach → Intake & Registration → Assessment of needs → Enrollment → Benefits and service packages → Intermediation

- High needs:
  - Far from LM and with complex risks
  - **Enrollment**
    - Improve employability and address risks
      - Special counselling
      - Benefits
      - ALMPs
      - Referrals
    - Connect with employers
      - Short-term benefits
      - Job search assistance, career counselling
  - **Benefits and service packages**
  - Job matching services

- Low needs:
  - Far from LM
  - **Enrollment**
    - Improve employability
      - Counselling
      - Benefits
      - ALMPs
    - Connect with employers
      - Some employment services
  - **Benefits and service packages**
  - Job matching services

- Closer to LM
  - **Enrollment**
    - Improve employability
      - Counselling
      - Benefits
      - ALMPs
    - Connect with employers
      - Some employment services
  - **Benefits and service packages**
  - Job matching services

Adapted from SPJ Sourcebook
We can identify innovations, good practices and possible issues along the delivery chain

<table>
<thead>
<tr>
<th>Outreach &amp; Information Services</th>
<th>Intake</th>
<th>Assessment and Enrollment</th>
<th>Provision of Services and Benefits</th>
<th>Intermediation</th>
<th>Monitor and Evaluate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innovations</strong></td>
<td>Harvest Info Services</td>
<td>Registration at UI fund and PES</td>
<td>Job seekers streams linked to conditionalities</td>
<td>Special centers for certain groups</td>
<td>Speed-dating</td>
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<tr>
<td></td>
<td>Job World Work Net</td>
<td></td>
<td>Profiling based on big data approach</td>
<td>Work Program</td>
<td>E-job fairs</td>
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<td></td>
<td>Work for the Dole “Internet first”</td>
<td>Workindenmark WorkNet</td>
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<td></td>
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<td></td>
<td>eCollege, Tús</td>
<td></td>
</tr>
<tr>
<td><strong>Good practices</strong></td>
<td>Labor Market Observatory</td>
<td>Integrated intake for all benefit claimants</td>
<td>Service zones The Work Profiler and the Personal Work Folder</td>
<td>FI - Women in crafts and technology</td>
<td>Jobservice SÖBs</td>
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<tr>
<td></td>
<td>Mobile Info Zone</td>
<td></td>
<td>The '4-Phase Model Statistical profiling</td>
<td>Self-employment scheme</td>
<td>Small Business Recruitment Service</td>
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<td></td>
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<td>Pre-apprenticeship lining</td>
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<td></td>
<td></td>
<td></td>
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<td>Emploi Store</td>
<td></td>
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<tr>
<td><strong>Possible issues</strong></td>
<td>Low-scale outreach despite voluntary registration</td>
<td>Individual diagnosis not implemented in all offices</td>
<td>Black box subcontracting</td>
<td></td>
<td>Target: off-flows from benefit</td>
</tr>
</tbody>
</table>
Delivery chain steps
Information services are valuable tools in the outreach process. Through such services, job seekers and employers can gather information about the PES offering.

Innovative outreach activities are put in place to meet target groups and match each labor market's specific circumstances.

The outreach process plays an essential role in ensuring that hard-to-reach groups and employers are informed about public employment services and incentivized to register with the PES.
Highlighted practices

Information services:
- SENCE’S National Observatory: information on occupations, economic sectors, and on-demand jobs.
- Labor Market Balance: easy access to information about the current and near-future state of 1,000 occupations.
- Connection for Quality: information about employment services providers.
- Career Information Centers

Outreach to target groups:
- The Korea Job World: career exploration experience for youths.
- Actively reaching out to employers as a requirement for the job centers.

- Limited outreach strategy, despite registration being voluntary for most PES target clients.
Registration is usually mandatory for benefit claimants, and it is conducted through different channels—although digitalization is becoming more and more common, especially post-covid.

Following the correct intake process is vital to guarantee that the PES fulfills its responsibilities but does not incur in an oversupply of services for not eligible job seekers.

It is important to coordinate the registration process when several public organizations are involved in the PES provision. This avoids double serving and gaps in the service delivery.
Highlighted practices

- Integrated intake for all benefit claimants with an online registration process. PES and municipalities work together to determine the appropriate benefit (UA or SA).

- Unemployment benefit claimants must register both at the PES and the correspondent unemployment insurance fund. UI funds are independent organizations, and the PES is not responsible for the administration of any benefits.

- Issues with standardization of intake process across regional offices:
  - Failure to require documentation from users
  - Not requiring users to register at the national job search platform
Assessment and Enrollment

1. PESs can profile jobseekers through several techniques: statistical, caseworker-based, rules-based, and mixed. However, for a profiling tool to work correctly, the necessary data and the cooperation of the caseworker must be provided. Otherwise, issues may arise as observed in Austria and Korea.

2. Several countries also categorize employers according to the vacancies they post and their potential to hire job seekers.

3. The diagnosis of the customers is vital to guarantee that the services provided will match the needs of job seekers and employers. The profiles of customers play a key role in defining the service stream.
Categorization of employers mostly by hiring potential

**Arbeitsmarktservice (AMS)**
- A clients: top 5% companies based on the number of listed vacancies in the region
- B clients: following 15% of enterprises based on the number of listed vacancies
- C clients: the next 20% of enterprises following the B clients

**Bundesagentur für Arbeit (BA)**
- Target clients: have the potential for creating jobs, and are companies able to shape the opinion of other employers
- Standard clients
- Others

**Uitvoeringsinstituut voor Werknemersverzekeringen (UWV)**
- Separated according to the size and sector. Promising business branches are identified, and 10 top companies are actively approached.
Highlighted practices

Profiling techniques

- **Work Profiler:** statistical tool providing information on the client’s probability of returning to work within 1 year, and a diagnosis of the strengths and weaknesses.
- Statistical profiling with big data model. The use of the tool is voluntary, and all results are shared with the job seeker.

Streaming

- Matching system profiles the clients into three match-groups for service provision, the obligations of the jobseekers are linked to the match group they are placed in.

Possible issues

- Limited staff and data collection capacity lead to the individual diagnostic not being conducted or not being connected to the service streaming.
- Issues when introducing new profiling strategies
The offering and generosity of benefits vary across countries.

Incentivizing jobseekers to stay active and search for jobs is critical to avoid benefit dependency. Most countries link benefits to participation in ALMPs, job search requirements, and frequent interviews at the PES.

Most of the innovative practices aim to provide services to specific groups or meet the needs of the general clients and job-ready jobseekers.

If services are outsourced, the PES must be careful and guarantee minimum standards for all job seekers. Moreover, it must communicate and monitor that the procedures conducted by the providers follow the set standards.
Outsourcing

- PESs have been gradually transitioning to play the role of coordinators, as policymakers are becoming aware that they cannot do more and better with fewer resources.

- Most EU countries have restricted outsourcing to training and specialists services such as job placement, counseling, and re-integration services.

- Australia has the most innovative approach with a fully privatized employment service - except for the initial assessment, referrals, and unemployment benefit administration, which rest with Services Australia, a public sector agency.

<table>
<thead>
<tr>
<th>Public</th>
<th>Mixed</th>
<th>Private</th>
<th>Outsourced</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>40%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Highlighted practices

Services

• Flexibility Coaching for companies: support for internal management structures to gain flexibility and better match the needs of employees and companies.

• Special employment centers for certain target groups such as women, low-income clients, veterans, etc.

• The Work Program: special support for the long-term unemployed (12+ months) provided by an external provider.

Subcontracting

• Black box subcontracting: PES awards large providers long-term, outcome-based payment contracts → in return, providers have flexibility on how to provide services and further contract out services.

  ❈ Issues on delivery have appeared due to significant variations in service standards across providers and miscommunications between the PES and providers.
Intermediation

1. Job search counseling and training are the main services to improve jobseekers' skills in finding vacancies and applying for jobs.

2. Strategies to connect employers with job seekers variate from short-term, like speed-dating events and job fairs, to long-term connections made through ALMPs and referrals for employment.

3. It is vital for the PES to offer satisfactory services to companies in order to ensure that they will continue advertising and cooperating with the PES. For this reason, most of the highlighted practices focus on meeting the employers' needs.
PESs allocate staff differently in order to provide services to employers and jobseekers.

Data taken from Icon Institut, European Commission. (2019)
Highlighted practices

- Speed-dating events with temporary employment agencies
- **Workindenmark**: matching services for highly qualified international candidates looking for a job in Denmark, and Danish companies search for qualified foreign candidates.
- Services for employers: 400 teams of Employer Services working with around 5000 experts in placement services and key account management for companies with 500+ employees.
- **Alternative Human Resources Bank**: help employers fill vacancies created when workers go on leave. The bank assesses the demand, recruits, and trains candidates.
The monitoring process is critical to guarantee a well-functioning system. PESs need to monitor job seekers and their obligations, the performance of external providers, and the functioning of the PES.

The performance and monitoring of the providers allow for early recognition of issues and to avoid having to cancel programs and services once they have been introduced.

The evaluation of the overall PES systems enables managers to observe which weaknesses and strengths are present and steer accordingly. However, in order to monitor the goal of getting people into employment, the PES must set the correct targets.

Benchmarking across regional and local PES units can be useful to identify issues, incentivize innovative practices, and enable mutual learning.
Highlighted practices

Job seekers
- Double monitoring of job seekers: at the PES and at the respective unemployment insurance fund.
- CV Quality Card: contains information from anonymous data from CVs and vacancies and determines how well and extensive the CV of a person is and how easy an employer can find it.

Providers
- Star Rating System, Quality Assurance Framework, site visits, and independent complaints phone lines are some of the strategies to guarantee providers comply with the set service standards.
- Annual assessment on a five-level scale and quantitative evaluations of providers. Organizations performing poorly can be removed from the service provision.

The PES
- AMS Balanced Scorecard: 25 indicators combined into one score used to compare the achievements of the units with the key objectives of the PES. It allows for benchmarking across units.
- Jobsindstats: public website providing information on the results of implement ALMPs.
The AMS Scorecard is a tool that allows for a permanent overall assessment of the local, regional, and federal PES units. With this tool, the AMS can analyse every organizational unit's strengths and weaknesses and evaluate their overall performance in one figure.

- Composed of 25 indicators
- Six main dimensions: labor market policy targets, customer satisfaction, process results, services for jobseekers, process results, services for employers, staff satisfaction, and other performance indicators.
- The maximum score achievable for each indicator is defined following the EFQM framework.
- Each indicator and the final AMS Scorecard are valued in percentages.

Sources: Adapted from PES Database and Wilk (2018)
Cooperation across agencies involved in PES provision is key to guarantee a functioning system.

- Coordination among municipalities and with the central PES
  → role of the central PES (STAR) in Denmark

- Cooperation between municipalities/district authorities and the PES in Germany, France and the Netherlands, to offer one-stop-shops for benefit claimants.

- Cooperation to avoid double serving and provide integrated services
  → Korea has the classical job centers and several additional centers which target certain groups (e.g. New Centers for Women). Cooperation among these agencies is key to avoid double serving. This is done mostly through interconnected information systems.
IV. Conclusions
Overall insights

✓ Each PES is unique, even within the same country when working under a decentralized model. Therefore, instead of focusing on a PES paradigm when reviewing PES models, we highlight innovative and good practices across the delivery chain.

✓ All the steps of the delivery chain play a key role in the serving of PES clients. However, evaluating and monitoring the clients, providers, and PES is essential to keep a well-functioning system.

✓ Introducing new practices into the PES can be challenging, especially if the PES staff is not entirely on board. Thus, a special effort must be made to communicate with caseworkers and find an agreement on what should be introduced.

✓ Outsourcing can be a good option to release overburden PESs and caseworkers. Nonetheless, for such an alternative to work, the PES must set standards, put in place a clear communication system, and frequently monitor and assess the providers performance.
Thank you!

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