

Different Approaches in Delivering Employment Services and Setting Private Public Partnerships.

The Cases of Australia, Germany and The Netherlands

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1. Introduction

Most OECD countries include private providers in the provision of employment services and the delivery of active labor market programs (ALMPs). The role of private providers, however, varies greatly and there are different forms of public-private partnerships (PPP). Generally, the provision of service by the Public Employment Services (PES) can happen either mainly in-house or by outsourcing these services to private providers.

International experience shows that there are three major PES delivery models:

- (i) **Quasi-markets – a model in which almost all employment services for jobseekers receiving unemployment benefits are outsourced to private providers.** In this model, an organized and supervised market is created by public institutions, where service providers need approval to enter and compete for service delivery contracts. The rationale behind this kind of organization of delivery is to harvest the benefits of market competition, without losing sight of the public interest behind the provision of such services. For instance, this is the case of Australia.
- (ii) **In-house – a model in which delivery of employment services is mostly centralized and provided by the PES itself,** such as is the case in Germany. The PES and municipalities deliver a wide range of counselling services to jobseekers, employer services, and placement services, while specialized counselling services and certain ALMPs are provided by private employment services. Nevertheless, the jobseeker remains a client of the PES, even though this does not result in the PES having a *placement monopoly*. In fact, despite the PES accrediting private employment service providers, it still maintains a strong role in providing employment services within its activation strategy for benefit recipients.
- (iii) **Mixed – a model with mixed public and private delivery of employment services.** A good example of this model is represented by the Netherlands, where the delivery of employment services is done by the Dutch PES (UWV) for unemployment benefit recipients and by municipalities for social assistance recipients. In addition, in the case of the Netherlands, social partners play a decisive role as they manage

sector specific training funds and social funds, while private employment service providers play a crucial role in delivering employment services.

In short, in the quasi-market approach, private employment services are substituting public employment services; in the mixed model, private employment services are substituting and complementing public employment services (a complementary relationship exists in particular when the private providers bring in specific expertise, e.g. in relation to disabilities, professional coaching for specific target groups, etc.), and in the in-house employment service delivery model, outsourcing to private providers has a complementary role.

The type of private employment service providers varies between countries. In Australia, large multi-annual contracts are in place with, both large and small, NGOs and private companies, who deliver the type of services that the PES would typically provide. The landscape is more diverse in the case of the Netherlands, where large private integration companies play an important role as do temporary work and recruitment agencies of all sizes, in addition to specialized employment service providers. In Germany, instead, a large number of smaller private employment service providers, recruitment agencies and specialized service providers exist, alongside a large number of training providers devoted to ALMPs implementation.

The historical institutional landscape and the role of municipalities as well as social partners also have a strong impact on the models developed in different countries. In the mixed and in-house employment service delivery models, a multitude of partnership approaches have been developed, including a wide range of public-private as well as public-public partnerships. The latter has been particularly important for improving joint or coordinated (or “integrated”) delivery of employment and social services through employment and social caseworkers for groups of jobseekers who face the highest placement barriers.

Public private partnerships have been classified by Davern² in the following:

- Agile partnership – “for producing quick solutions to time-limited and specific problems as they emerge”, as it might happen for a specific crisis;
- Sub-contracted partnership arrangements;
- Co-constructed partnerships that enable partners to share power, responsibility and expertise;
- Supportive partnerships that are “catalysts for the growth and success of participants and provide space for members to grow, succeed, and generate innovative ideas”.

The main challenge for all three delivery models is to make sure employment services are delivered in an effective and efficient way by fulfilling public objectives. There is one common key objective in all three models: to

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² Davern, E. (2020).

reduce benefit dependency and bring jobseekers with severe and/or multiple employment barriers into work. However, underlying goals and priorities differ somewhat between countries, especially on what role job-quality should play when bringing people into work. Regardless of the specific objectives any government could set, all three models require high governance capacities of the public actors and, when private providers are involved, the challenge is to create a quasi-market. For the creation of such markets the governments need to find ways to induce private actors to achieve public objectives by means of appropriate incentives.

Lessons from various OECD countries show that success factors for the different types of public private partnership formats depends on a wide array of elements. These include: a common understanding of the labor market challenges, profound understanding of the difficulties for both public and private employment service providers, mutual trust, and appreciation about joining resources and sharing information and knowledge.

In the following sections three country examples are presented. The cases studies will show how these three delivery models are present in three mature public employment services across the world: Australia, Germany and the Netherlands. For each case study a brief overview of the PES system is provided as well as the outsourcing mechanism and the governance of the PES. This is followed by the discussion and conclusion sections where the key features of these three PES models are summarized, along with key success factors, challenges, and what best practices could potentially be applied in low- and middle-income countries (L/MIC).

2. Case studies

2.1. The quasi-markets model: the case of Australia

PES context

Australia's employment services provision is today fully outsourced and does not have what is commonly perceived as a Public Employment Agency. The country once had fully public employment services, created in 1945, called Commonwealth Employment Service (CES). In 1998, the system was reformed and under the name of "Job Network", public and private providers could compete in a tendering process for service delivery contracts.³ The system continued to be reformed and enhanced between cycles of contracts that would last between 3 and 5 years. Nowadays the system is called "Jobactive" and only private, both for-profit and not-for-profit, providers compete for contracts.

Although services are privately provided, the strategy and oversight are public responsibility. The current department responsible for employment policies and job strategies is the Department of Education, Skills and Employment (DESE).⁴ The department oversees the

tendering process but also designs policy to improve jobseeker engagement, expand working opportunities and strengthen the job service provision network. The intake, registration and assessment of jobseeker applicants is also publicly managed. This is done by Centrelink, a government body which is part of the Department of Human Services.⁵

Through Centrelink, registrants are assessed, streamed, and referred to certain types of employment services, according to their needs. To do so, Centrelink uses a statistical profiling tool called Job Seeker Classification Index (JSCI), which draws information mainly from a questionnaire applied to jobseekers.⁶ The questionnaire consists of 49 questions and 18 different factors that are taken into consideration, including demographic, geographic, socioeconomic, psychological, educational and working background, etc.⁷ According to outcomes, jobseekers are then assigned to three different streams: A, B, or C, according to their assessed barriers in joining or re-joining the labor market (A being the most job-ready and C being the least job-ready). Jobseekers with identified multiple and complex non-vocational barriers, such as disabilities, are referred to a supplementary assessment called Employment Services Assessment (ESAt).⁸ Upon assignment to a stream, jobseekers are asked to choose between service providers in a list of available ones according to the stream that was assigned to them.

Outsourcing model

Private providers come-in at the stage of service provision, after the streaming of jobseekers. They are largely responsible for offering training, counselling, assisting on CV building, preparing candidates for jobs and placing them.⁹ Their focus in the Australian model, however, is to place jobseekers into sustainable jobs, meaning that the best outcomes are jobs that are not only quickly supplied, but that jobseekers are capable to keep for as long as possible. The more barriers a jobseeker is predicted to face, the greater will be the assistance that he or she will likely need. Therefore, more services and more intensive interventions will need to be provided to those jobseekers.

Service providers have first to be admitted and certified into the Australian job services providing market through awarded contracts. Contracts are awarded in tendering process that occur every 5 years. This process is highly centralized under, and monitored by, the DESE. Providers are free to compete for contracts and once contracts are awarded, they can compete among themselves for service provision, inside the structure that was built by the government for that purpose. This structure comprises two main governance mechanisms (the Stars Rating system and the Quality Assurance Framework – QAF¹⁰) to ensure that despite competition, services are provided at high quality standards.¹⁰ That is the basis of the quasi-market today existing in Australia.

The payments made by the Australian government to employment service providers are mainly outcome-

³ Sinclair (2017).

⁴ DESE (2019).

⁵ DESE (2020).

⁶ Desiere et Al. (2017).

⁷ Duell and Moraes (2020).

⁸ OECD (2017).

⁹ DESE (2020).

¹⁰ DESE 2020.

based. Outcome fees take into account the following criteria: a) stream to which jobseekers were allocated; b) length of employment placement; and c) geographic location. They are designed to reflect the difficulty of placement for that jobseeker but also to reward the time that this person has remained employed. For example, job placement of jobseekers assigned to stream C and located outside of urban centers, will be better rewarded than those placements of stream A jobseekers located in urban centers. Likewise, job placements that last 26 weeks will be better rewarded than those lasting 4 weeks.¹¹

Governance and monitoring of the system

The performance of service providers is assessed by the Star Ratings system. The system rates providers from 1 to 5 stars, according to performance, considering two key performance indicators: efficiency and effectiveness in placing participants in sustainable work. Calculations are made quarterly on the same results used for payments – meaning quantity and length of placements – and adjusted to geographical location, streams assigned, local labor market context and case load. The stars are then attributed to service providers by bandwidths, according to a national average. For example, 5 stars will only be awarded to those providers who are 30% or more above the national average; likewise, 4 stars will be awarded to those between 29 and 15% percent above the national average; 3 stars will be given to those 14% above and below the national average, and so forth. That means that the system automatically compares providers against themselves.¹²

Lack of performance or compliance may lead providers to lose their right to compete for contracts or having their cases reassigned. For example, scores below 2 stars are considered as underperformance and may lead to providers losing their right to re-tender.¹³ If lack of compliance or poor standards are identified through other control mechanisms, such as the QAF Surveillance Audit, then providers may also see their business readily reallocated to better-performing providers.¹⁴ Despite the fact that DESE works regularly with providers to address quality shortcomings,¹⁵ the market has shrunk from 300 suppliers to less than 50 in 20 years due to the loss of the right to re-tender as a result of poor performance.¹⁶

Evaluation is a strong component of the Australia quasi-market. Besides the rolling evaluations and audits that happen year-long, the department in charge of Jobactive (as well as the previous departments responsible for the previous versions of the quasi-market) hold constant evaluations of the system as a whole. The most recent one is “Evaluation of Jobactive: Interim Report”, published in 2020. The report summarizes the main reforms undertaken between the Jobs Service Australia (JSA - the predecessor of Jobactive) and Jobactive and evaluates the strengths and shortcomings of the new program compared to the previous one. Those evaluation reports are then used to inform future reforms of the system.

2.2. The fully in-house model: the case of Germany

PES context

The public employment services provision in Germany is based on the type of unemployment benefit that people of working-age claim. There are two types of agencies following different sets of laws and providing services for different target groups, but together they make up the core PES delivery. Both agencies act independently but respond to the Federal Ministry of Labor and Social Affairs, which defines the active labor market programs available and the general policy framework in the country.

The first agency, the Bundesagentur für Arbeit (BA), is responsible for providing services for claimants of the unemployment insurance benefit (UB I). The BA is the largest employment service provider in the country, and it acts as a self-governing public body, with a head office, ten regional directorates, and 156 local employment agencies with 600 branch offices. The main activities comprised under the BA responsibilities include labor market information and publication of labor market statistics, management of unemployment benefit I, administration of other related benefits, counseling and guidance to jobseekers, employer services, implementation of ALMPs, and job matching.¹⁷

The second type of agency are the Jobcenters, which are the responsibility of the municipalities and the BA. Jobcenters provide services for beneficiaries of the means-tested minimum income benefit (UB II), which is available to those who are no longer entitled to UBI and low-income employed individuals. The municipalities can decide to jointly run their Jobcenters under the lead of the local BA or to run their Jobcenters themselves and cooperate with the BA only when required. From the 408 Jobcenters across the country, 303 are under the BA’s lead. A crucial difference when the BA is involved in the Jobcenters is that it does not act as a self-administering body; instead, it responds to the Federal Ministry of Labor and Social Affairs for legal and policy issues.¹⁸

The service provision under the Jobcenters is the result of one of the major employment reforms in Germany, also known as the Hartz reform, introduced in 2005. This reform created a common structure for delivering employment services and activation requirements for means-tested minimum income recipients, and it merged the unemployment and social assistance programs into a single benefit. Previous to the reform, each municipality delivered employment services and active labor market programs according to its own priorities, with often little to no cooperation with the BA. Now even the opt-out municipalities, which lead their own service provision, need to cooperate with the BA and are object to national financial and audit controls.¹⁹

¹¹ The complete payment methodology can be found in DESE (2014).

¹² DESE (2015).

¹³ Sinclair (2017).

¹⁴ For the full description of the Jobactive Performance Framework, see DESE (2015).

¹⁵ DESE (2015).

¹⁶ Sinclair (2017).

¹⁷ Alaref et al. (2018); Klueger (2015); and Jacobi & Kluge (2007).

¹⁸ Alaref et al. (2018); Klueger (2015); and Jacobi & Kluge (2007).

¹⁹ World Bank (2018); European Commission (2014); and Finn (2016).

Services provided by both agencies are mostly similar. All Jobcenters and BA local units register clients, provide benefits, offer counseling, job placements, and referrals to ALMPs. However, because of the different eligibility criteria and target groups, there is some variation in the service palette, as well as differences in the monitoring strategies. Additionally, Jobcenters are obligated to link their employment support to other social services that may benefit their clients. These additional services can include debt counseling, psychiatric help, and childcare services.²⁰

Outsourcing model

In Germany, most of the services are provided directly by the PES agencies; however, some programs are outsourced to external providers. Outsourcing is often used as a complementary option for the reintegration of the unemployed. The most commonly outsourced programs include training- specifically soft-skill courses, vocational training preparation courses, and school-based training courses-, rehabilitation programs for those with disabilities, special counseling for those with specific needs, and in some cases placement services.

The PES offers outsourcing primarily through vouchers, which are widely used for training and other activation services. For training, the caseworker usually issues a voucher after assessing the jobseeker's need for a training course. The training must be in line with the recommendations made by the PES counselor, which include the type of training, the duration, and the cost, and must be redeemed at approved training centers only. The PES staff is not allowed to give any advice on the choice of provider; each jobseeker can search for a provider in a database made available by the PES. Other voucher systems are available for additional activation programs, which the PES does not offer, or for external placement services. The latter is mostly used for specialized employment services and as a complement to the BA placement services.²¹

PES agencies can also outsource their services through tendering and bidding procedures. This type of outsourcing process is managed by five buying centers, which are linked to the Regional Directorates of the BA. The providers who choose to bid for tenders have to meet the quality standards set by the PES. External providers must comply with the PES requirements for the service delivery; otherwise, they face fines. For example, they risk losing their license if 70% of the participants do not find work or stay unemployed for six months after receiving their services. In both outsourcing methods, however, the unemployed remain a PES client, allowing for follow-up and monitoring.

External service providers can be either public or private organizations offering labor market integration services, private employment service providers, or employers offering appropriate ALMPs. The provider must obtain a license issued by the BA. Most of the outsourcing is given to for-profit providers while favoring small and short-term contracts based on job outcome performance to enable market competition and avoid monopolies. Depending on

the target group and their specific employment barriers, NGOs and not-for-profit organizations can also play a role in the implementation of active labor market programs.²²

Governance and monitoring of the system

The BA's governance structure is defined by a Board of Governors at the federal level and Local Governance Committees in the local employment agencies and branches. In the joint Jobcenters, the BA works together with the municipality and under the Ministry of Labor and Social Affairs' guidance to define its targets and ALMP offering. On the other hand, opt-out municipalities have larger freedom on their service provision and monitoring decisions, despite being subject to national financial and audit controls. Nonetheless, the opt-out Jobcenters and all other PES units under the BA's lead pursue similar goals and provide similar services, with the opt-out centers having a stronger focus on human capital development through employability-enhancing programs.

The PES continuously evaluates its own service delivery and uses various tools to ensure that public employment service offering is appropriate. The PES sets quantitative and qualitative targets and conducts monthly reports, regular performance talks at all management levels, and various customer satisfaction surveys. Additionally, the BA also constantly assesses the effects of its policies and measures, explicitly analyzing the efficiency and effectiveness of the resource allocation. These results are then used as a base for highlighting effective approaches and developing further strategies and targets. Such evaluations can be conducted by the BA's evaluating agency or commissioned to an external institute. In addition to the evaluation strategy, the agency also has a benchmarking and classification system in place to be able to assess the performance of employment agencies and jointly managed Jobcenters. The classification method considers regional differences as well as other relevant factors.²³

2.3. The mixed model: the case of The Netherlands

PES context

The Employee Insurance Agency (*Uitvoeringsinstituut voor Werknemersverzekeringen – UWV*) is an autonomous administrative organization charged by the Ministry of Social Affairs and Employment (SZW) with implementing employee insurances and providing labor market services.²⁴ UWV's objectives are to ensure adequate administration and payment of both unemployment and disability benefits and to support integration of jobseekers in the labor market. In other words, UWV's task is to help people progress through working and, when work is not available, UWV ensures that they have a stable source of income. The *UWV Werkbedrijf* is a division of the UWV, which oversees the organization of ALMPs.

UWV does not operate under direct ministerial surveillance and control in its task of executing policies

²⁰ Alaref et al. (2018).

²¹ Alaref et al., (2018); and BA (2021).

²² Finn (2016). ; and Alaref et al. (2018).

²³ Alaref et al. (2018); Klueger (2015); and Finn (2016).

²⁴ <https://www.uwv.nl/overuwv/english/about-us-executive-board-organization/detail/about-us-our-promise>

but policy is developed at ministry level. UWV Governing Board has indeed a high degree of freedom solely on issues related to policy implementation. Despite the independence of the UWV, policy planning happens at ministerial level and the specific directions to UWV operations given by SZW are prescribed by law.

Municipalities are responsible for the provision of a safety net for social assistance claimants. Municipalities are also in charge of ALMPs provision and their strategy, performance measures and targets are set by municipal councils. These oversee the operations and approve the annual planning. Despite SZW determining the annual budget, municipalities remain independent structures of local government that are able to define and implement their own strategies. It goes without saying that Municipal councils' decisions are bound to legislation concerning these policy areas²⁵.

In addition to its relationship with municipalities, UWV has also a strong cooperation with private employment agencies. These agencies act as labor market intermediaries and as contracted providers for the PES. The formal collaboration with private agencies led to the creation of Flex-Servicepoints, which are set up to help jobseekers have support at operational level. Jobseekers can reach out to Flex-Servicepoints to obtain the appropriate list of private providers. These partnerships aim at creating a framework and adequate procedures for using temporary agency work as an effective channel to help clients of the UWV make the transition from unemployment to stable re-employment and to use the recruitment services of private employment agencies²⁶.

Outsourcing model

In the Netherlands cooperation between the PES and private providers commenced in the 1980s and private agencies are now embedded in the service delivery system where they act both as labor market intermediaries and as contracted providers. Private agencies routinely publish their vacancies on the UWV internet portal where jobseekers may be automatically matched and agencies can search for suitable candidates.

In 2019, the UWV and the Algemene Bond Uitzendondernemingen (ABU – largest trade association of Dutch private employment agencies) signed a renewed joint venture agreement that both extends and updates the cooperation and commitments between both parties. This agreement aimed at increasing the cooperation between private employment agencies and UWV through increased interoperability of the information sources for unemployed individuals. Finally, the 2019 agreement pushed for increased sharing of both labor market information and expertise on employers-jobseekers mediation²⁷.

Before 2015, the Dutch outsourcing system was based on the classification of jobseekers into two main groups: Stream A, job-ready users; and Stream B, those who have more difficulty in finding a job. The reimbursement of private providers has undergone modifications and

corrections over time, in order to increase efficiency: if initially every activity provided to the unemployed was remunerated (*no care, less pay*), the model has moved to an employment result remuneration system (*no cure, no pay*). In the cases of *no cure, no pay* of the Stream A job-ready individuals, the providers received a minimum contribution for the insertion during 6 months, after which there is no payment. In this case, smaller providers are exposed to the risk of cash-flow problems and the provision of services without being reimbursed. This has led to an increase in providers' fees to cover the risks, which the Dutch administration has sought to limit by providing an upfront reimbursement of 20% even in *no cure, no pay* contracts, providing for repayment in the event of non-placement²⁸.

However, the result of this management method, if on the one hand it has enabled to speed up relocation, on the other hand it has impoverished the range of services offered by the providers and has determined the disappearance of training content. The small providers have been the first to pay the price of this management style, disappearing from the market, and the few remaining large providers have flattened their service offerings to the detriment of competition. In this context, private agencies have become increasingly crucial in the Dutch labor market over the past decade.

Since 2015, UWV switched to an operation model primarily through the digital platform, limiting in-person service delivery to only 35 locations nationwide. Service delivery occurs online through enrollment in the platform and each applicant has an account from which to access online services. The user is followed in accessing the services by an e-coach who also monitors the effective activation of the user in making use of the available public services. The digitization of public services has naturally influenced the function of private providers who, in addition to cooperating in the implementation of the digital platform of employment services, provide operational support for all the services that the public service no longer provides. In fact, users in the first three months of unemployment must register and participate in the orientation and job search initiatives offered by private providers in support of the online services of the UWV. These are orientation activities, job placement or meetings with the formula of speed-dating²⁹ in which the newly unemployed can meet companies and intermediary agencies or temporary employment agencies that offer work³⁰.

UWV services are increasingly online, calling on jobseekers' responsibility to actively work on their own integration. Online services are available to all job seekers through *werk.nl* website. On such website, the Work Profiler tool assumes a critical role in assessing the distance of the jobseeker from the labor market. The Work Profiler is an online tool that estimates jobseekers' chances of returning to work within a year based on hard and soft predictive factors of the probability of resuming work. Some factors have a negative relationship between the score and the probability of resumption of work. For instance, for the metric 'Proficiency in Dutch, the higher a jobseeker scores

²⁵ EU Commission (2014).

²⁶ EU Commission (2019).

²⁷ ILO (2021).

²⁸ ANPAL (2019).

²⁹ The Job Speed Date is a quick, informal meeting with the goal of introducing companies to aspiring workers.

³⁰ ANPAL (2019).

on this factor (e.g., more difficulty communicating in Dutch) the lower are her/his chances of finding work.

The Work Profiler classifies jobseekers in four different profiles based on their relative distance to the labor market and risk of becoming long-term unemployed.

Clients in the first category, that is $\geq 75\%$ chance of returning to work within a year, are deemed capable of finding a job on their own soon and do not require job search assistance or special help. Jobseekers in the other three categories receive additional services ranging from relatively simple interventions such as job search assistance to referrals more long-term employability enhancement programs. The most common intervention for clients in the second category, those with 50-75% chance of work within a year, is often placement in a subsidized job or training program. More complex cases are jobseekers that are considered very distant from the labor market and these are the ones that are referred to more specialized job counseling and placement services with external providers. Hence, statistical profiling plays also an important role in regard to outsourcing.

Governance and monitoring of the system

The Inspection for Work and Income, which is a special and independent body, is in charge of evaluating the performance of the agency. The evaluation assesses the legality, efficiency and effectiveness of operations. They also look at how UWV and the municipalities are operating as complementary bodies and whether they are establishing an effective network. In addition, performance of the *UWV-Werkbedrijf* is assessed in relation to benefit off-flows and satisfaction levels amongst job seekers and employers.

The UWV uses an intranet system and internet portals to share information on management (weekly performance measurement) and on the labor market (developments in the volume and composition of registered clients and vacancies). UWV has in place different measures to assess effectiveness of services for jobseekers, including the operation of randomized controlled trials to which jobseekers receive extra service, an assessment method using pilots to consider the effect of new methods, and the ex-post-econometric-data-analysis is also used for matching or time-analysis.

3. Discussion

The cases presented correspond to well-established systems in high income countries, and which are well-known for the quality of their employment services. There are several favourable points but also shortcomings that can be raised for all of the three systems. Acknowledging that there are several countries, especially low- and middle-income countries, who are still trying to build their own employment services and often considering the different paths to follow, it is useful to discuss those.

The Australian quasi-market:

Good practices: The Australian PES is often praised for its efficiency regarding the delivery of services and by the system innovations it presents. Its statistical profiling tool, JSCL, helps to reduce the human capacity needed to assess

and stream jobseekers into different treatment categories, as is the case, for example, of the German PES. The involvement of the private sector is also argued to bring innovative approaches, services, and solutions to jobseekers.³¹ The fact that employment services are outsourced also creates an entire new market, with development of new companies and the employment this generates. In addition to this last point, it potentially reduces the burden of the government in managing and funding all of these services in-house. The Australian system also counts with a strong and critical evaluation system that is used for constant improvements.

Shortcomings: A quasi-market, like the one that currently exists in Australia, needs a constant effort to find the right balance between public intervention and private freedom. For example, on one side, heavy bureaucracy generates too heavy burdens on private providers and hinders the efficiency of the private sector. On the other side, the lack of control and supervision could lead to misspending of public money and the degradation on the quality of services. Additionally, since part of the benefits from this model comes from concurrence among private providers, there is often a lack of cooperation among providers, which is often needed to deliver public policies, such as the ones for the labor market. For example, Australian employment services still face considerable challenges in meeting the demands of the most vulnerable groups.

The German in-house model:

Good practices: The German public employment services are well-developed and cover a wide range of services for various target groups. Their services are often highlighted as innovative and good practices in the literature, due to their comprehensive and detailed approach when it comes to supporting vulnerable groups. The system is based on strong cooperation with external providers for services such as training, as well as close coordination in service delivery between the BA and the municipalities. Lastly, the PES has a strong monitoring system for its own processes but also to supervise providers in order to ensure an appropriate service delivery for its clients.

Shortcomings: The German PES system is quite complex and requires a lot of capacity, the PES relies on a large budget and staff, which might not be feasible in most LIC and MIC. The broad range of programs and the high involvement that caseworkers have in the processes enables the PES to provide support for their clients but represent significant capacity and coordination efforts. Moreover, there is a broad degree of variation in the services available depending on the regions, since municipalities can decide to what extent they cooperate with the BA. Claimants will receive different service standards depending on their location, posing a challenge to the standardization in provision across the country.

The Dutch mixed-model:

Good Practices: The Dutch system integrated multiple processes into a single beneficiary interface for all target groups (in person at the UWV one-stop locations, and digital through the website). All applications for any

³¹ Sinclair (2017).

income support program in the country (disability, unemployment benefits and social assistance) goes through the public employment service. The online infrastructure serves all the institutions along the delivery chain.

Shortcomings: Despite the great features mentioned above, integration and coordination of services is not homogenous in the whole country but varies depending on the municipality capacity. Moreover, the integration of those hard to be placed individuals in the job market is mostly outsourced to private public employment agencies. This represents a critical point since it makes private providers' role pivotal in integrating hard to place jobseekers in the labor force.

4. Conclusion

The main challenge for all three models is to make sure employment services are delivered in an effective and efficient way, by fulfilling public objectives. There is one common key objective in all three models: reducing benefit dependency and bringing also jobseekers with severe and/or multiple employment barriers into work. Objectives differ somewhat between countries what role job quality should play when bringing people into work.

All three models require high governance capacities of the public actors. The common challenge when outsourcing services is to create the quasi-market by setting the right incentives for private actors to achieve public objectives. This calls for strong monitoring and governance mechanisms. With regard to activating jobseekers with severe and multiple employment barriers, strong coordination is necessary between the multiple actors responsible for the delivery of employment services. Regular exchanges and cooperation between PES and private providers is an important approach for the PES to understand of what works and to monitor satisfactory implementation of the employment services.

Equally, performance management plays a strong role for in-house employment service provision. In addition, a high skills level of staff, skills development and sustainable human resource management with the objective of building and developing in-house knowledge is a key factor of success. Training quality is achieved not just through official quality assurance systems, but also through informal internal assistance. Training contents should not only encompass the knowledge of processes within the PES and knowledge about new services and ALMP but also "soft" skills.

There is no "one-model fits all" answer when it comes to public private partnerships in employment service delivery. Lessons from various OECD countries show that success factors for the different types of PPP formats depend on several specific country aspects. Those include: a common understanding of the labor market challenges, profound understanding of the labor market challenges for both public and private employment service providers, mutual trust, and understanding about joining resources and sharing information and knowledge.

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