



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 10 October 2013**

**14651/13**

**SOC 795  
EMPL 15  
ECOFIN 876  
EDUC 386  
JEUN 91**

**NOTE**

---

from: General Secretariat of the Council  
to: Delegations

---

Subject: Contributions from the Heads of the Public Employment Services

---

On behalf of the Presidency, delegations will find attached for information a 'HoPES<sup>1</sup> Assessment Report on PES capacities to implement the Youth Guarantee' (Annex I) and a 'HoPES Note on Criteria for Sustainable Wage Subsidies' (Annex II).

These two notes were submitted by the EMCO Chair to the Presidency in the light of on-going work, particularly on the subject of youth unemployment.

---

<sup>1</sup> "Heads of Public Employment Services"

**HoPES Assessment Report**  
**on**  
**PES capacities to implement the Youth Guarantee**

**October 2013**

*A response from the European network of  
**Heads of Public Employment Services (HoPES)**  
to calls for action agreed at the Berlin Conference on  
Youth Employment on 3<sup>rd</sup> July 2013*



Supported by the European Commission

## HoPES Assessment report - Concluding statement, October 2013

At the high-level Youth Conference held on 3rd of July 2013 in Berlin the European Network of Heads of Public Employment Services (HoPES) committed itself to produce 1) a "HoPES Assessment Report on PES capacities to implement the Youth Guarantee" for EPSCO and 2) a "HoPES Handbook for the implementation of the Youth Guarantee" for the next informal youth summit in November in Paris. This handbook will combine conceptual guidance with a catalogue of measures. Both contributions feed into the preparation of the National Youth Guarantee Implementation plans to be elaborated by Member States in 2013 and 2014.

In respect of the first of these commitments, this assessment report presents a unique evidence base for policy and PES development in Europe: 31 PES from 29 countries have completed a self-assessment in August 2013 to identify their strengths and weaknesses in four areas:

Table 1 - Summary of PES assessment by Area

	Average score (0-5)	PES capacity			
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
<b>1. Restructuring PES</b>	<b>3.3</b>	<b>10</b>	<b>19</b>	<b>2</b>	<b>0</b>
<b>Transparency of supply and demand</b> <i>Databases youth &amp; vacancies, analysis</i>	3.6	18	12	1	0
<b>Comprehensive counselling services</b> <i>E- and face to face services</i>	3.6	19	10	2	0
<b>Efficient integration / placement of jobseekers</b> <i>Early intervention, youth at risk, inactive, involvement of users</i>	2.8	7	11	13	0
<b>Effective and efficient allocation of ALMP</b> <i>Funding, processes, supply</i>	3.4	11	15	5	0
<b>2. Career guidance structures and coordination with school based services</b> <i>Careers platform, guidance provision including young persons with special needs</i>	<b>3.1</b>	<b>13</b>	<b>12</b>	<b>6</b>	<b>1</b>
<b>3. Services for employers</b> <i>Vacancy handling, private agencies, recruitment and automated matching, entrepreneurship etc.</i>	<b>3.2</b>	<b>13</b>	<b>12</b>	<b>6</b>	<b>0</b>
<b>4. Initiating alliances for basic and further training</b> <i>Shaping training, company-based training, funding, shared delivery etc.</i>	<b>3.1</b>	<b>13</b>	<b>9</b>	<b>9</b>	<b>1</b>

**On this basis the European network of Heads of PES concludes:**

*PES overall capacities for the implementation of the Youth Guarantee in Europe are reasonable, leaving considerable room for improvement*

Evidence shows that on average PES assess their capacity to be medium across the four areas (between 3.1 and 3.3, on a scale from 0 to 5). This does not come as a surprise given different national starting points, business models, policy context and priorities. In most of the areas four out of ten PES appear as strong performers. However, in each area, one in five PES needs more investment as they assess their capacities as weak. The four out of ten PES that rate their capacity as medium also need to refine service delivery.

*PES show significant capacity to ensure transparency, to offer multi-channelled services to all young jobseekers*

PES rate their current capacity to establish transparency of supply and demand in the market highest among the areas considered in this exercise: Nearly 60% of PES consider their information systems and analysis of determinants of youth unemployment to be strong. Similarly, many countries have national databases of vacancies (and apprenticeships) in place. PES have also progressed in offering a mix of online-services, phone and face-to-face services according to the individual needs of young people. Many PES consider that careers information portals and career guidance are reasonably implemented while partly delivered by other providers. And most PES (23) consider that they have an effective strategy in place to serve young jobseekers independently of their entitlement to benefits.

*Further investment is however required in preventative services including youth at risk, in promotion of training and cooperation with relevant labour market actors*

Integration of the unemployed is at the core of PES business. However, to support a comprehensive and inclusive youth employment strategy PES need to go further with a preventative approach aimed at early intervention and reaching those at risk of dropping out from the system. Issues of concern include staffing (training / case-load), specialist guidance services for youth with multiple obstacles, strategies for communicating with young people and the involvement of young people in service design. Overall PES assess this area of activity as the weakest of those covered by the evaluation exercise, with only a quarter of PES reporting well developed provision.

Cooperation of the PES with relevant stakeholders in the field of education and employment is needed to build up alliances for training relevant to the labour market needs. While many PES are working in a partnership approach, only a few PES indicate that they use their relations with employers to promote investment in training. Only one in three PES have established an advanced system for vacancy handling that includes exchange of vacancies with private agencies.

To achieve the objectives set in the [PES 2020 strategy](#) and the [HoPES concept paper](#) for the implementation of the Youth Guarantee and in accordance with the Council recommendation, evidence-based mutual learning activities at European level will help to strengthen PES capacities for the implementation of the Youth Guarantee at national level. PES can also make use of the related ESF strategic priorities 2014-2020 to achieve improvement in areas where considerable need for further investment has been identified. A regular assessment of PES capacities, measures and outcomes, both at European and at national level contributes to continuous improvement. Such an assessment could go beyond the current focus on sustainable activation including, for example, the caseload of employment counsellors or the quality of jobs, apprenticeships, traineeships or internships offered to a young jobseeker.

## Introduction

The European Council meeting of 27-28 June 2013 stressed that combating youth unemployment is a particular and immediate objective. In a concerted effort to address this concern, a high level "Conference on the promotion of youth employment in Europe" held in Berlin on 3<sup>rd</sup> of July 2013 brought together numerous heads of state or government, high-level representatives from the European Commission, labour ministers and the European network of Heads of Public Employment Services (HoPES).

The summit's concluding statement acknowledged the key role of Public Employment Services (PES) in tackling youth unemployment and implementing the Council Recommendation on "Establishing a Youth Guarantee", which was adopted on 22nd April 2013. It further underlined that, in addition to short-term incentives and relief measures for the benefit of young jobseekers (e.g. funding ALMPs and training) there should be a simultaneous focus on structural reforms, in particular on enhancing the operational and support capacities of employment services and on adjusting training systems to the needs of the labour market.

Taking into account the [HoPES contribution to the Berlin Youth Summit](#) and the [HoPES concept for the delivery of the Youth Guarantee](#) the European Network of Heads of PES confirms its intention to:

1. **Restructure the PES wherever necessary with a focus on young people**, to ensure i) transparency of supply and demand in the labour market, ii) a comprehensive range of counselling services to jobseekers and employers, iii) efficient labour market integration and placement, iv) an effective allocation of resources for ALMP measures.
2. **Enhance career guidance services** in PES, coordinating these with other service providers to ensure that young people make informed decisions at all key stages of their career path.
3. **Further deploy and develop employers' services** to create employment and training opportunities directed at young people and to promote youth entrepreneurship.
4. **Contribute to and initiate alliances for training and apprenticeship** to facilitate the transition from school to the labour market.

The European Heads of PES network has committed itself to produce: 1) a "HoPES Assessment Report on PES capacities to implement the Youth Guarantee" for EPSCO, 2) a "HoPES Handbook for the implementation of the Youth Guarantee", i.e. a catalogue of measures for the next informal youth summit in November in Paris. Both contributions will feed into the preparation of the National Youth Guarantee Implementation plans to be elaborated by Member States in 2013 and 2014.

In respect of the first of these commitments, this assessment report is addressed to EPSCO. It presents a unique evidence base for policy and PES development in Europe: 31 PES from 29 countries have completed a self-assessment during August 2013 on order to identify their strengths and weaknesses. To frame the assessment the survey drew from previous HoPES work, such as the forward-looking strategy for [PES 2020](#), the ["HoPES concept for the delivery of the Youth Guarantee"](#) and lessons from the [PES to PES Dialogue](#), the European Commission's mutual learning programme for PES.

### *The basis of the assessment*

This assessment is based on the results of a **self-assessment** by European PES of their service strategy and delivery capacity in relation to the implementation of Youth Guarantee schemes, undertaken in August 2013.

For each point of the assessment, PES were asked to rate their capacity/strategy using scores ranging from 0 (no capacity/strategy) to 5 (existing capacity/strategy meets all requirements). It is important to recognise that PES scoring the same in relation to any particular point may in practice have different capacities/strategies as the assessment is made without any benchmark level.

The **average scores** for each point shown in summary tables are the simple average of the scores of all responding PES. For shaded rows covering an area or sub area, where the scores for each PES are already averages of the points below, the counts of PES in each capacity level (high/medium/low) are based on rounded figures – i.e. an average of 3.5 is counted as 4.

## Area 1: Restructuring PES to better service young people

Modernisation of Public Employment Services (PES) has been an essential element of the European Employment Strategy since its launch in 1997, when the European network of Heads of PES was also established. This restructuring is an on-going process aimed at enhancing the range and the quality of services in order to respond to the needs of both jobseekers and employers in changing labour markets.

The [PES 2020 strategy paper](#) issued by the HoPES network lays out a vision for the type of service that is required in the context of modern labour markets characterised by multiple career transitions and a background of financial restrictions, technological innovation, the greening of the economy, an aging population and new generational attitudes. The vision positions PES at the centre of a public employment system that aims to empower jobseekers to take charge of their own careers and skills development and support them by building bridges across transitions with positive and sustainable outcomes. It also aims to strengthen demand-led services for employers in order to facilitate recruitment and support workforce development, above all if labour shortages exist

The overall objective of achieving better functioning labour markets requires the PES to take on a conducting role, working with a range of public and private partners to identify and anticipate market needs, improve the matching of supply and demand tackle skills mismatches and ensure that both jobseekers and employers have access to a comprehensive and high quality portfolio of support services.

The first transition from education or training to work is crucial and can shape a whole career. The introduction of Youth Guarantee schemes represents a major initiative to ensure that all young people get a positive start through early access to a meaningful opportunity for work or training. The successful delivery of Youth Guarantee schemes will depend on building effective partnerships between public employment services and a range of other actors including schools, youth organisations, training institutions, social partners, employers, local authorities and private employment services. In order to assume this central role it is essential – as noted in the [HoPES concept paper](#) - that PES are able to fulfil four key functions and that where necessary they undertake restructuring to achieve this capacity:

- Establish transparency of supply and demand in the labour market, define determinants of unemployment;
- Provide a comprehensive range of advisory services on labour market issues for jobseekers and employers;
- Organise efficient placement of jobs and training;
- Ensure effective and efficient allocation of active labour market policy measures

### Area 1.1: Transparency of supply and demand

Establishing transparency of supply and demand means getting a full picture of the job market and sharing this with both partners, jobseekers and employers in order that all parties are adequately informed. Analysis of the current situation and likely developments is needed for continuous strategic adjustment of services (provided by PES and other bodies) and ALMP measures. As organisations with national, or in some cases regional, responsibility for the labour market integration of the unemployed and recruitment for employers, PES are ideally positioned to gather and analyse the relevant information on both the supply and demand side of the market.

To support the implementation of Youth Guarantee schemes it is crucial to have a complete picture of the situation confronting young people. This means, firstly, detailed knowledge of the target population and their characteristics and competences and, secondly, a comprehensive view of the work and training opportunities that may be available to them and the underlying market conditions.

#### *Key elements of establishing transparency*

- A **database of young unemployed registered with the PES** is a precondition for strategic planning of Youth Guarantee schemes, for the development and monitoring of the services offered, and for follow-up and assessment. This database should include details of qualifications and competences, the education and work biography, as well as of previous interventions. Information should be structured in a way that supports placement (e.g. through automated matching with vacancies) and tracking of individuals through time in order to assess longer term outcomes. Most PES will already have databases that cover young people alongside all those who are registered as unemployed and the key issue will be to ensure that the database is fit for purpose in relation to Youth Guarantee schemes. A further issue is how to extend the coverage of this database, most likely by exchanging information with the education system or local authorities, in order to have information about young people before they leave school (anticipated supply) and other young people not currently in training or work (NEETs) and not registered with the PES.
- Analysis of information in the database should be used to develop a differentiated picture of the **characteristics of the unemployed and inactive youth population**. This includes analysis of the **determinants of unemployment** on a national and regional/local basis in order to plan a strategy to tackle its causes and provide appropriate opportunities for young people. Information from the database will need to be combined with a range of other statistics about the current situation and trends in the labour market, flows out of education and training, etc.
- On the demand side, a comprehensive **database of vacancies** is required to provide a complete overview of potential opportunities for young people, including jobs, apprenticeships and traineeships. In most countries PES are responsible for providing this information. Data should be collected and maintained according to documented procedures and standards to ensure that it is always up-to-date and fit for purpose. In particular, it is important to have clear and structured information on the skills and competences required (for jobs) or to be gained (from training) that facilitates automated matching with the database of young people. To ensure full transparency and support mobility the database should have national coverage. Youth unemployment is often concentrated in regions where employment and traineeship opportunities are scarce.



- It is also necessary to ensure a **regular assessment of market conditions** using data on vacancies combined with information gathered directly from employers, social partners and sectoral organisations. This is needed to identify market trends and anticipate future demand in terms of both jobs and training opportunities and the skills that will be required. Indeed, the HoPES paper on [The Case for Skills](#), which considers the role of PES in relation to the [New Skills for New Jobs Agenda](#), highlights the need for PES to increase the use of professional information tools and public-private partnerships in order to better diagnose skill gaps and understand the market.

*Assessment of PES current capacity - Area 1.1:  
Transparency of supply and demand in the labour market*

**Significant capacity to ensure transparency, but the potential for market analysis is under exploited**

PES assess their current capacity to establish transparency in the market equal highest among the areas considered in this exercise (average score 3.6). Nearly 60% of PES consider their information systems and analysis to be strong overall, and just one as weak.

Two key points arise from the assessment. Firstly, PES have a better understanding of the supply side of the market than of the demand side. Most PES use the database of young registered jobseekers for strategic planning and many analyse the determinants of youth unemployment. Secondly, the data that PES collect themselves through registration of jobseekers and vacancies is generally used well but analysis of the wider market is still at medium level.

**Table 2 - Summary results for Area 1.1: Transparency of supply and demand in the labour market**

	Average score (0-5)	PES capacity			
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
<b>1.1</b>	<b>3.6</b>	<b>18</b>	<b>12</b>	<b>1</b>	<b>0</b>
<b>1.1.1</b>	<b>3.7</b>	<b>24</b>	<b>4</b>	<b>3</b>	<b>0</b>
1.1.1.1	4.1	24	5	2	0
1.1.1.2	3.4	17	9	5	0
<b>1.1.2</b>	<b>3.5</b>	<b>16</b>	<b>15</b>	<b>0</b>	<b>0</b>
1.1.2.1	3.6	18	7	6	0
1.1.2.2	3.3	12	13	6	0

Number of responses: 31. See introductory notes for an explanation of what the figures show.

### *Greater capacity on the supply side for young people*

PES capacity to ensure transparency of the market is greater on the supply side (average score 3.7) than on the demand side (average score 3.5). Taking into account both database and analytical elements, more than 75% of PES consider that they have a good picture of young jobseekers and their circumstances whilst just under 50% consider that information about employers and the opportunities they have available for young people is well developed. On the supply side five different PES recognise weakness in either database or analytical capacity, or both, resulting in an average weak score for 2 PES (c. 10%). On the demand side the average scores shows no PES with overall weakness but in fact 6 PES show weakness in relation to vacancy databases and 6 in relation to market assessment but these are all different in each case resulting in a neutral overall assessment.

The fact that the supply side systems are generally assessed to be stronger than demand side systems implies some risk of unfulfilled capacity to match jobseekers with appropriate opportunities. This suggests that more attention to the collection and analysis of demand side information is required.

### *Good information handling within PES but room for improvement in market assessment*

On both supply and demand sides, PES rate their capacity to store and handle information higher than their ability to exploit that information and combine it with other relevant data in order to fully understand market conditions.

PES give the highest rating (4.1) to their databases of young unemployed registered with them. Three-quarters of PES rate their databases as strong and just 2 consider their current systems to be inadequate to provide the information necessary to support the implementation of Youth Guarantees. To get a full picture of the situation confronting young people and how they are being reached by PES services it is necessary to work with other organisations to access and analyse data covering not only those registered with the PES but also those who are inactive or at risk but not registered. Just over half of PES consider that they do this well but a sixth recognise that their current activities are fall short of requirements.

On the demand side, PES rate their databases of vacancies and training opportunities for young people as medium-strong (score 3.6), though still a fifth of PES consider their databases weak. The use of this data in combination with market data from other sources to get a full picture of market conditions is not so good (average score 3.3). Only just over 40% of PES assess their demand side analytical capacity highly.

Overall, most PES appear reasonably satisfied with their ability to handle and process data on the jobseekers, vacancies, training, apprenticeship and traineeship opportunities that are registered with them. However, many recognise a need to do more to enhance their analytical capacity and to develop alliances in order to access a wider range of market data and better understand the overall situation.

## Area 1.2: Comprehensive range of counselling services

The youth group is no different to the wider population of jobseekers in that it comprises individuals with a broad spectrum of needs that require a similarly wide range of support services. However, young people do tend to have different attitudes towards, and expectations of, public services and are more tuned in to technological developments than the older generations. The PES approach needs to be adapted accordingly. Indeed, the [2011 PES Peer Review](#) on implementing Youth Guarantees concluded that to effectively connect with the youth population it is necessary for PES to “go where the young people are and use their language”.

An important element of this is exploiting new technology and social media as part of a multi-channelled strategy that aims to provide a comprehensive range of services that are readily accessible in different ways to all clients. Further, increasing the use of e-Services generally is recommended in the [PES 2020 strategy paper](#) as a potential source of efficiency gains since it can reduce the cost of basic services and release resources to deliver more individualised support for those with more complex needs.

This approach applies not only to jobseeker clients but also to the employer clients who represent the potential source of jobs and in-work training opportunities. To engage them fully, services need to be comprehensive, easy to access and tailored to individual (company) needs.

### *Key features of service strategy*

- A **multi-channelled strategy to deliver information and services to jobseekers** through a variety of different mechanisms - online, by phone, or face-to-face – is necessary to ensure an effective use of resources and at the same time provide choice to clients with different needs. Whilst digitalisation of basic services has many benefits, it is imperative to ensure more personal alternatives remain available – particularly for the most vulnerable, who may not have the confidence or skills to use e-Services unaided.
- Youth Guarantee schemes should cover all young people who are not in work, education or training. In the past, access to PES services has often been linked to entitlement to benefits and this needs to change. In order for PES to reach the full target population there needs to be a **strategy to make services available to all young jobseekers, irrespective of their entitlement to benefits**.
- The full engagement of employers is crucial to the successful implementation of Youth Guarantees. For the PES to become a “preferred supplier” it is necessary to provide a **high quality and comprehensive range of employer services** (see also Area 3). This may include, for example, human resources advice for SMEs. Services can be provided in-house or by partners but it is crucial to ensure a seamless integrated service so that an employer client can always be referred to the relevant support. Sorry, we can’t help” should not be an option.
- As with servicing jobseekers, the use of a **multi-channelled approach to servicing employers** is important. Employer clients want a fast, reliable service and to use the contact mechanisms that suit them and their business. For example, when notifying a vacancy, some will prefer e-Services, whilst others will want to use the phone or even expect a visit from a PES advisor. Full customer engagement demands choice.

*Assessment of PES current capacity - Area 1.2:**Provision of a comprehensive range of counselling services on labour market issues***Good access for young people and other PES customers to services through multi-channelling strategies though complementary employer services need to be strengthened**

Overall, PES assess their capacity to deliver an easily accessible, high quality and broad range of counselling services to be medium-strong (average score 3.6), the equal highest score for any area in this exercise. 75 % of the PES have a strategy in place to service young people independently of entitlement to benefits.

Around 60% of PES have well defined strategies for delivering services for both jobseekers and employers combining online tools with phone and face-to-face services, though not necessarily for both together. Indeed, most PES observe differences in their capacity and more investment in information technology is needed to equally service jobseekers and employers.

The range and quality of employer services provided in addition to basic vacancy handling and support with recruitment is well developed in around 40% of PES but the majority recognise that improvements are needed.

**Table 3 - Summary results for Area 1.2: Provision of a comprehensive range of counselling services for clients on labour market issues**

		Average score (0-5)	PES capacity			
			Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
<b>1.2</b>	<b>Comprehensive counselling services</b>	<b>3.6</b>	<b>19</b>	<b>10</b>	<b>2</b>	<b>0</b>
1.2.1	Jobseekers: Multi-channelled strategy	3.7	18	9	4	0
1.2.2	Jobseekers: Strategy to service independently of entitlement to benefits.	4.0	23	4	2	1
1.2.3	Employers: Range of integrated services	3.1	12	12	6	1
1.2.4	Employers: Multi-channelled strategy for submission of vacancies, with support.	3.7	19	8	4	0

Number of responses varies between 30 & 31. See introductory notes for an explanation of what the figures show.

*Multi-channelling is widespread but further investment is needed*

A multi-channelled approach to service delivery is key to efficient use of PES resources, balancing the use of e-Services that offer customers quick and easy access to information and services with a range of more resource intensive personalised support for those needing assistance. In relation to Youth Guarantees, the use of social media and other modern technology is important to engage better with young people.

PES assess their multi-channelling strategies to be medium-strong for both jobseekers and employers (average score 3.7 in each case). Around 60% of PES consider their approach to be well developed and fit for purpose, while the remainder recognise some need for improvement. Eight PES assess their multi-channelling strategy for either jobseekers or employers to be weak, though none of these see weakness in both areas. Indeed, 70% of PES rate their multi-channelling capacity differently for jobseeker and employer

services. It suggests that the majority of PES need to invest further in appropriate information technology to better service at least one side of the market.

*Entitlement to benefits should not be a barrier for young people to access services*

Registration with PES and access to services and ALMP has historically often been linked to access to benefits. This represents a potential problem for the implementation of Youth Guarantees since many young people, and particularly those making the first transition to the labour market, do not have any entitlement to benefits. It is important, therefore that PES services are designed to be open to all young people and that relevant services and active measures are not closed to those not receiving benefits. In general PES report that their service provision fulfils this requirement (average score 4.0); 75% of PES consider that they comply well and only two recognise that there are still access problems for young people not receiving benefits.

Whilst a number of PES still have to address some issues regarding access to services, the overall impression is that entitlement to benefits should not represent a barrier to the effective delivery of Youth Guarantees. However, even if the services are open to all it may still be a challenge to reach all those who need the support.

*The majority of PES recognise a need to improve employer services*

To engage fully with employers, PES need to provide a comprehensive range of professional services that complement the basic vacancy handling and recruitment services that are at the core of the PES business model. This includes, for example, a rapid response service in case of dismissals or specific services for SMEs. At present, capacity to deliver this additional support is developed to a medium level (average score 3.1). Around 40% of PES consider that they have well developed provision. A further 40% have an established portfolio of services but realise that they need to either broaden the range of services on offer or improve their service quality. The remaining 20% of PES recognise that their employer services are below par. Overall, that means that the majority of PES (60%) see some need to strengthen this area of their business.

### Area 1.3: Efficient labour market integration and placement

As noted in the [HoPES concept](#) for the delivery of the Youth Guarantee, placement in work or training is the core of PES activities. A basic prerequisite for efficient placement is full transparency of supply and demand in the market (see Area 1.1). After that, an effective placement service depends on prevention and early intervention – where possible before unemployment starts, systematic individual profiling (assessment), and the development of an individual action plan agreed between the jobseeker and a PES counsellor. It is also crucial to ensure a strategy that leaves no-one behind and ensures that the most vulnerable are given individual attention.

An effective and inclusive approach requires regular cooperation of all relevant actors, specialised outreach services, monitoring, evaluation and the involvement of users.

#### *Key features of efficient labour integration and placement*

- The proposed Council Recommendation on establishing a Youth Guarantee places significant attention on improving awareness of the services and support that is available to young people and ensuring that this reaches them before they leave school/college or become unemployed. A **clear strategy for early intervention** has to be developed as a cooperative venture between the PES, schools, training institutions and any other bodies with responsibility for young people, such as municipalities. One organisation should take the lead and be a “focal point” for the young people and co-ordinate the service delivery. All partners should facilitate **full and free exchange of information** to ensure that no young people slip through the net.
- The Youth Guarantee concept requires that young people are offered a placement in work or training within 4 months of leaving school/training or becoming unemployed. Achieving this target efficiently and effectively requires that actions leading to placement start as soon as possible, are tailored to individual needs, monitored continuously and adapted where necessary. This requires a **service concept** that ensures a rapid and thorough **profiling (assessment) of needs** which feeds into the **establishment of a mutually agreed individual action plan** and **continuous monitoring** thereof.
- PES strategies for engaging and supporting young people have to be underpinned by **adequate human resources**. Whilst some activities such as initial registration and basic profiling can be automated to some extent to improve efficiency, the [HoPES concept](#) for the delivery of Youth Guarantees notes that final decisions on the elements appropriate for each individual action plan are best taken by suitably trained advisors. The [2011 PES Peer Review](#) on implementing Youth Guarantees also notes the need for specialist counsellors and interdisciplinary teams to deal with low-skilled young people. Whilst intensive services for those with multiple barriers may be outsourced, PES still need to maintain adequate and appropriately skilled human resources to deliver individualised services to all clients kept in-house.
- The effectiveness of Youth Guarantees may be measured initially by rates of placement but more important is the **sustainability of placements, the relevance of training provided and the longer term outcomes for young people**. This requires longitudinal monitoring of clients and analysis of their subsequent experiences.
- Success in reaching all of the target population – **identifying and motivating young people who are inactive or at risk of dropping out of the system** - will require a multi-pronged approach. Primary

responsibility for this task varies between countries, in some cases it may be the PES but in others it may be municipalities or special youth services. The approach, however, will be similar. As noted in the [2011 PES Peer Review](#) on implementing Youth Guarantees, reaching young people requires PES to “go where the young people are and use their language”. Outreach services organised in youth centres and other places where young people gather can be successful, particularly when using young people themselves as ambassadors for the PES. PR campaigns using social media and other new technology used by young people can also be effective in reaching people that would not normally register with the PES.

- Finally, it is important to recognise that the success of PES services for young people depends not only on making contact and delivering prescriptive services. It depends also on actively engaging clients in the process. The only way to do this effectively is to listen to them - to ask about their expectations, their opinions on the value of existing services and what could be done better. In other words, to actively involve young people in the design of services that they will use.

*Assessment of PES current capacity - Area 1.3:  
Efficient labour market integration and placement of young jobseekers*

**Medium-low capacity, significant investment in strategy required for a more preventative approach including youth at risk**

Integration of the unemployed is at the core of PES business. However, to support a comprehensive and inclusive youth employment strategy PES need to go further with a preventative approach aimed at early intervention for those leaving school and reaching those at risk of dropping out of the system. Appropriate strategies and capacity to facilitate such an approach are not yet fully developed. Overall, PES assess this area of activity as the weakest of those covered by this evaluation exercise (average score 2.8), with only a quarter of PES reporting well developed provision.

Early intervention and activation of all young people at risk is crucial to combatting youth unemployment. The assessment indicates that further investment in human resources, an improved communication strategy, involvement of young people and customer feedback are important. Furthermore, service concepts for intervention before young people leave school or a job ends have to be strengthened.

Table 4 - Summary of results for Area 1.3: Efficient placement of jobseekers

	Average score (0-5)	PES capacity			
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
1.3 Efficient placement of jobseekers	2.8	7	11	13	0
1.3.1 Early intervention and activation	2.9	9	11	11	0
1.3.1.1 Service concept for intervention before leaving school/training or ending a contract.	2.5	9	6	14	2
1.3.1.2 Service concept for establishing an IAP and an offer within 4 months (activation guarantee).	3.1	12	11	7	1
1.3.1.3 Appropriate allocation of human resources to serve young people (skills and case load)	2.8	11	8	10	2
1.3.1.4 Monitoring outcomes of transitions and their sustainability.	3.1	12	9	9	1
1.3.1.5 Collection and use of customer feedback.	2.9	11	8	10	2
1.3.2 Identification/motivation of inactive / at risk	2.7	8	11	12	0
1.3.2.2 Regular cooperation and exchange of information with schools and other relevant organisations.	3.0	14	9	7	1
1.3.2.3 Outreach, career guidance and counselling services in schools, companies, etc.	3.0	11	11	8	1
1.3.2.4 Communication strategy appropriately targeted at young people.	2.7	10	8	11	2
1.3.2.5 Involvement of young people/users/youth organisations in service design.	1.7	1	8	15	5

Number of responses varies between 29 & 31. See introductory notes for an explanation of what the figures show.

#### Overall medium-low capacity

An effective youth strategy is as much about prevention as cure. It is crucial to ensure that all young people are better informed about opportunities available to them before they leave school, to identify those at risk and to intervene before they drop out of the system. Whilst this may not always be the direct responsibility of the PES they have a key role to play working with other bodies to ensure an integrated approach.

As businesses that have traditionally expected customers to come to them, the task of reaching and servicing a wider client base is to some extent outside PES' normal activities and this is evident in the self-assessment. At least a quarter of PES assess their capacity as weak or non-existent in relation to every element of relevant services, and in some cases closer to half. On average, scores are slightly lower for identifying and motivating at risk youth (average of 2.7) than for early intervention (2.9), which can only happen after initial contact has been made. Only a quarter of PES consider their capacity to be strong in either area.

#### Capacity for early intervention weak in many PES, investment in human resources could help

The lack of capacity to service people who have not yet been brought under the PES umbrella is evident in relation to early activation. PES assess their capacity to establish an individual action plan



and monitor subsequent outcomes as significantly higher (both score 3.1) than their strategy to reach and support young people before they leave school or before a job ends (score 2.5). Indeed, for the latter aspect, half of PES have a weak or undeveloped concept of how to achieve this objective. There is, however, potential for development, as three out of four PES regularly cooperate with schools and other relevant organisations to identify those at risk (score 3.0 in the second section).

This is striking, as at present less than 40% of PES assess any element of early intervention to be strong. This would appear, at least in part, to relate to a lack of investment in appropriate human resources, i.e. appropriately skilled PES counsellors and a staff-to-client ratio that allows counsellors to dedicate time according to individual needs (below average score of 2.8). There is also not enough use of customer feedback mechanisms to ensure service quality and relevance (score 2.9).

*Half of PES have a key role in working with young people at risk, for the other half cooperation is the issue*

Primary responsibility for keeping an eye on the youth population in general, and trying to identify as soon as possible those at risk of dropping out of the system, varies between countries. It falls within the remit of PES – either alone or with partners – in around half of cases (Table 2). Other bodies with responsibility (with or without PES) include municipalities, dedicated youth agencies, Ministries of social affairs, health or education.

Even if PES do not have a major role in this area (4 PES indicate that it is outside their remit), they need to collaborate with the bodies responsible in order to exchange information and ensure a coherent strategy. Interestingly, PES with more responsibility for identifying youth at risk are not necessarily those assessing their capacity in this area as the highest. This may relate in part to a resource issue since those with less responsibility for direct action can achieve objectives by ensuring effective collaboration and exchange of information with the relevant organisations but with relatively little input.

Table 5 - Responsibility for youth who are inactive or at risk of dropping out

	No. PES	% (of those responding)
Mainly PES	11	38
Mainly other providers	11	38
PES <u>and</u> other providers	4	14
No service offered	3	10
No answer	4	-

*Identifying and motivating young people at risk – better communication is key*

In practice, cooperation with other bodies to exchange information and deliver outreach services appears to be reasonably well developed (average score of 3.0 in both cases). Nevertheless, less than half of PES assess their capacity to be strong and 12 PES indicate weakness in at least one element so further investment is necessary.

Reaching young people effectively needs a communication strategy that talks the right language. It is noticeable that on average PES assess their current strategy as being slightly below par (score 2.7),

with two-thirds of PES recognising that improvements are necessary. Strategies for engaging young people, and especially those on the edge of society, may be quite different from those used to reach other clients, for example to overcome an inherent lack of trust in the “system”. It is important, therefore, to listen to the young people themselves, and to youth organisations and other bodies that work closely with them, in order to guide strategy. This aspect of communication is generally poorly developed (average score 1.7 or weak) with only 1 PES assessing their activities as being strong.

#### Area 1.4: Effective and efficient allocation of active labour market policy measures

For young people that cannot be placed directly into suitable employment or vocational training a portfolio of appropriate active labour market measures (ALMP) should be available. As noted in the [HoPES concept paper](#), the balance between the types of measures available should be linked to the prevailing determinants of youth unemployment (see Area 1.1). For example, training programmes are preferred when the problems are linked to a lack of or inappropriate skills, whilst incentive measures may be used to combat barriers to entry. Effective allocation of individuals to the different measures available then depends on the careful profiling that should be undertaken at the earliest possible stage of intervention.

The capacity of PES to refer clients to appropriate measures depends in the first place on adequate funding being available. Thereafter, the PES has to manage the portfolio of measures available, decide which types of measures are required, whether they should be delivered in-house or contracted out, organise providers, determine payment mechanisms, and ensure follow-up of participants. In order to ensure cost-effectiveness it is also crucial that attention is paid to evaluation of results and that measures are designed on the basis of robust evidence of what works and what does not.

##### *Key features of effective and efficient allocation of active labour market policy measures*

- **Adequate financial resources** are a basic precondition for PES to be able to offer a portfolio of appropriate active labour market policy measures to all young people who cannot be integrated directly into employment or vocational training. The Council Recommendation on establishing Youth Guarantees recommends that Member States make full use of Cohesion Policy funding instruments to support their implementation.
- PES need to put in place systematic processes to plan and organise the provision of measures. This starts from regular analysis of the market situation and the current determinants of youth unemployment on a national and regional/local basis. Thereafter, PES need to organise an appropriate portfolio of measures, allocate resources, co-ordinate both in-house and external provision, manage payments, ensure routine monitoring, etc. To do so, it is a prerequisite that PES have adequate capacity for professional project and financial management.
- PES responsibility does not end with placement. Vulnerable groups, in particular, may need on-going support to facilitate the sustainability of a placement or to ensure that they do not just drop-out of the system once a placement has ended. This applies whether the placement is made directly by the PES or by a third-party provided. Follow-up mechanisms need to be in place.
- Effective and efficient allocation of ALMP demands that the supply of training measures is adapted to market needs and demand. PES need to work on a continuous basis with public and private providers to ensure that there is an appropriate and flexible supply of suitable training courses and providers. This may mean cooperating with providers to develop new courses or change the content or duration of existing courses to meet market needs, certifying new providers, adapting payment mechanisms, etc.
- The crisis and subsequent public sector cut-backs have reinforced the need for evidence based policy-making and cost-effective services. It is essential that new active labour market policy measures are developed on the basis of previous experience of what works and that all ALMP are systematically monitored and evaluated to ensure that they remain fit for purpose and to provide the evidence for future programming.

*Assessment of PES current capacity - Area 1.4:  
Effective and efficient allocation of active labour market policy measures*

**Medium score for allocation of ALMP, while service concepts for follow-up after placement are less developed**

Overall PES have a reasonable capacity to allocate ALMP effectively and efficiently (average score 3.4). Access to funding, organisational procedures and the existence of a flexible supply of training are assessed positively by a majority of PES. However, follow-up procedures are often poorly implemented and a significant group of PES needs to make more use of evaluation to ensure effective use of resources for the labour market integration of young people.

Table 6 - Summary results for Area 1.4: Effective and efficient allocation of active labour market policy measures

	Average score (0-5)	PES capacity			
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
<b>1.4 Effective and efficient allocation of ALMP</b>	<b>3.4</b>	<b>11</b>	<b>15</b>	<b>5</b>	<b>0</b>
1.4.1 Funding: Sufficient resources to provide appropriate ALMP to young people in need of support.	3.6	18	8	5	0
1.4.2 Processes in place to organise the provision of measures and tracking of these.	3.7	22	5	3	1
1.4.3 Processes in place to ensure follow-up of youth at risk after placement.	2.7	7	11	11	1
1.4.4 Flexible supply of adequate education, training and integration providers.	3.3	14	11	6	0
1.4.5 Use of evidence-based ALMPs for young people.	3.4	15	6	9	0

Number of responses varies between 30 & 31. See introductory notes for an explanation of what the figures show.

*Funding and organisation of appropriate ALMP not a major concern for most PES*

Adequate financial resources to fund appropriate ALMP and facilitate access to all those deemed to be in need of this type of support is a basic prerequisite for implementation of Youth Guarantees. Around 60% of PES consider funding to be adequate for requirements. A quarter report that resources are acceptable but could be increased, while the remaining 15% consider that they are under-resourced. The average score of 3.6 is medium-strong.

Using the funds that they have available, the large majority of PES indicate that they are well equipped to appropriately manage and track the provision of ALMP (average score 3.7), which implies that they have adequate professional resources in terms of financial and project management. Only 4 PES indicate weakness in this area.

Efficient allocation of ALMP also depends on the existence of a flexible supply, particularly in relation to training measures for young people. The large majority of PES consider that there is enough flexibility on the side of training providers to react to varying demand and changing profile of ALMP measures, even if

only half assess this dimension as a strength (average score 3.3). Six PES recognise that there is insufficient flexibility in the training or integration services available on the market.

*Follow-up procedures for young people at risk are often poorly implemented*

Procedures to ensure follow-up of young people at risk after placement – whether by the PES themselves or through cooperation with appropriate partners - is an area of notable weakness (average score 2.7). Less than a quarter of PES indicate that they provide appropriate levels of support to young people with particular difficulties in order to ensure that placements are sustainable and avoid drop-outs. It means that three-quarters recognise the need to do more and half of this group considers their current capacity weak.

*Variable efforts to ensure quality and cost-effectiveness of ALMP*

Public resources need to be used effectively and it is important that ALMP provision is guided by evidence of what works and what does not. Although the average score for using evidence-based ALMP is medium (3.4), this masks significant variation between PES. Half of PES assess their capacity to be strong but nearly a third score themselves as weak. This latter group needs to invest more in evaluation in order to improve the quality of ALMP and ensure that resources are not wasted on ineffective programmes.

## Area 2: Career guidance structures and coordination with school based services

Career guidance has a fundamental role to play in the effective implementation of Youth Guarantee schemes because it represents the vehicle for ensuring that young people are adequately informed in order to make appropriate career choices and access any support they may need.

Guidance has been defined in a Council Resolution of 28 May 2004 (and reiterated in a [2008 resolution](#)) as “... a continuous process that enables citizens at any age and at any point in their lives to identify their capacities, competences and interests, to make educational, training and occupational decisions and to manage their individual life paths in learning, work and other settings in which those capacities and competences are learned and/or used. Guidance covers a range of individual and collective activities relating to information-giving, counselling, competence assessment, support, and the teaching of decision-making and career management skills.” The implementation of this resolution is being promoted by the European Lifelong Guidance Policy Network ([ELGPN](#)) which brings together representatives from education and labour ministries, PES and NGOs.

European PES are already key providers, either alone or in partnership with other organisations, of labour market information and employment counselling services. Depending on the national set-up, educational and vocational guidance services for young people may be the responsibility of the PES or of other specialised providers. There may also be specialist guidance services for disabled youngsters and those with multiple problems. Cooperation with PES to ensure a good knowledge of the development of labour demand and skills requirements is an indispensable precondition to assure quality for all.

In relation to Youth Guarantee schemes, the key is to ensure the delivery of a career guidance service that reaches all young people and provides not only individualised career advice that is relevant to market needs, but also adequately signposts young people to potential further support. As recommended in the [Council Recommendation](#) this requires strengthened cooperation between the different actors involved (PES, career guidance providers, education and training institutions and youth support services) in order to ensure a comprehensive and coordinated approach.

### Key features of effective career guidance services

- A user-friendly digital careers information platform/portal freely open to all is a basic requirement for any PES career guidance service. Such a portal should provide, or signpost users to, information about occupations, training paths and institutions, vacancies and development of labour demand, as well as tools for self-assessment, testing and application and information about other relevant services. Even if other organisation(s) have primary responsibility for career guidance, PES need to make it clear that they can deliver support to those who do not manage to find work or training and provide a simple to use site that provides basic information and then directs clients to further specialised services and sources of information as appropriate.
- All PES should have capacity to provide basic face-to-face career guidance and employment counselling services to jobseekers of all ages. For young people embarking on a career, it is important that this includes advice on career planning techniques, information on emerging labour market needs and potential training options as well as more general vocational guidance and orientation related to specific industries/occupations.

- **Specialist career guidance with a focus on educational and vocational guidance** should be easily accessible to all young people and provided by the PES or other services. The advice provided should be on the basis of an in-depth assessment of individual capacity, interests and needs.
- **Specialised guidance services for young people with disabilities or multiple barriers** are also necessary. Such services should be delivered in close collaboration with a network of other health and integration services to ensure that all different barriers are treated adequately. Given the specialist skills required, such services may be delivered in collaboration with appropriate organisations.
- **Regular collection and evaluation of feedback from users** is essential to ensure the quality and ongoing relevance of career guidance services.

#### Assessment of PES current capacity - Area 2:

##### Career guidance structures and coordination with school based services

**Reasonable provision of careers information and basic career guidance services, but more mixed performance in provision of specialist guidance services for young people with multiple obstacles**

Only two-thirds of PES have primary or shared responsibility for providing career guidance to young people. The provision of careers information (portals), general career guidance as part of the work of employment counsellors and in-house provision of, or referral to, specialist career guidance services where needed are nevertheless basic requirements for PES to help young people making their first move into the labour market.

Overall PES assess provision to be average (score 3.1), though capacity to provide careers-information and basic, employment-oriented career guidance scores higher (3.6). Fewer PES consider that access to more specialist career guidance services is adequately implemented. Increased cooperation with specialist providers is probably needed.

Table 7 - Summary results for Area 2: Career guidance structures and coordination with school based services

	Average score (0-5)	PES capacity				
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)	
<b>2.1</b>	<b>Guidance services</b>	<b>3.1</b>	<b>13</b>	<b>12</b>	<b>5</b>	<b>1</b>
2.1.2	Accessible and easy to use digital careers information platform/portal.	3.6	17	8	3	1
2.1.3	General career guidance services by employment counsellors.	3.6	17	8	4	0
2.1.4	Specialist career guidance and counselling services (educational, vocational orientation).	3.2	14	7	8	0
2.1.5	Specialist career guidance service for youth with multiple obstacles.	3.0	12	8	10	0
2.1.6	Specialist career guidance service for disabled.	3.5	18	7	5	0
2.1.7	Collection and use of customer feedback.	2.4	8	8	11	4

Number of responses varies between 29 & 31. See introductory notes for an explanation of what the figures show.

### *PES are not the only providers of career guidance services*

Around 65% of PES have main or shared responsibility for career guidance services for young people. In other cases primary responsibility is held by education Ministries, schools or municipalities. One PES reports that no specialist career guidance service targeted at young people exists.

Table 8 - Responsibility for career guidance services for young people

	No. PES	% (of those responding)
Mainly PES	12	43
Mainly other providers	9	32
PES <u>and</u> other providers	6	21
No specialist guidance service offered	1	4
No answer	5	-

### *Reasonably well established careers information services and basic career guidance provision by employment counsellors*

An open and user-friendly digital careers platform/portal and the option of face-to-face guidance from employment counsellors are basic requirements for PES working to ensure the effective integration of young people. Basic career guidance should be provided in the context of activities including individual action planning, employment counselling, job-search assistance, apprenticeship placement, advice on appropriate ALMP, etc. On average, PES report the same level of capacity for each delivery channel (score 3.6 in both cases). More than half of PES assess their provision as strong and, whilst others recognise the need to improve the level of service, only around 10% consider their current capacity to be weak.

### *Medium scores for specialist career guidance provision with 25-30% of PES indicating some significant areas of weakness*

PES assess existing capacity (whether internal or external) to provide specialised guidance for educational and vocational orientation to be slightly lower than for basic guidance (score 3.2). The score is slightly lower still in relation to specialist guidance for young people with multiple obstacles who need a more holistic guidance approach (e.g. through case management) (average score 3.0). These scores are held down by significant numbers of PES reporting weak capacity (25-30%) and these are largely the same PES in each case. This may reflect a shortage of adequately trained advisors in-house or inadequate cooperation with, or supply of, appropriate external providers.

There appear to be fewer problems with the provision of specialist advice for disabled clients (average score 3.5 and only 15% of PES with weak capacity), which is likely to reflect either greater in-house capacity or better relations between PES and established external providers.

In general, PES should be looking to improve access to specialist advice for young people by developing collaboration with specialist providers or strengthening in-house capacity.

### *Use of customer feedback is weak but may not be a particularly relevant task for some PES*

The collection and use of customer feedback to guide service delivery is weak overall (average score 2.4) with only 25% of PES scoring capacity as strong in this area. It should be noted, however, that 7 of the 15 PES which do little or nothing with regards to customer feedback are among those with limited responsibility for delivery of career guidance services for young people so that the task may not be so relevant.



### Area 3: Services for employers

European public employment services (PES) have recognised in their [2020 strategic vision paper](#) that they need to engage more with the demand side of the job market. In the current context of high unemployment, closer relationships with employers will allow PES to secure more and better employment opportunities for jobseekers and to understand better the current and future skills needs in the market. The [Council Recommendation](#) on a Youth Guarantee stresses that the cooperation with employers is fundamental to ensure an adequate supply of jobs and in-work training opportunities. More generally, closer cooperation will also help to alleviate negative perceptions of the types of jobseekers mediated by PES.

In order to strengthen PES services for employers it is necessary to have a clear strategy for identifying and engaging with employers coupled with a range of high quality services that establish PES as a respected professional partner for recruitment and workforce development. At the core of the service offer should be an effective vacancy handling system, pro-active matching services, and guidance to entrepreneurs and those who want to start up a business, all to be complemented by an effective quality assurance system.

#### *Key features of effective services for employers*

- A clear strategy for identifying and engaging with employers is necessary to make more job opportunities available for young people, raise awareness and increase openness towards workplace training and apprenticeships. The [2012 PES Peer Review](#) on PES employer services recommended a segmented approach, with different methods and procedures applied for different categories of employer depending on the prevalent labour market conditions and PES capacity. In countries with high levels of unemployment this might mean prioritising larger employers with capacity to create multiple opportunities, for example through establishing agreements with large multi-nationals. Elsewhere, in cases where employer services are already well developed, prioritising SMEs and using the offer of complementary PES services such as advice and guidance on developing competences within the workforce can help to build close relationships with mutual benefits.
- The cornerstone of PES employer services is an effective system for handling vacancies for both jobs and apprenticeship/training opportunities. This requires procedures and standards to ensure quality of information and service and the widest possible dissemination of the opportunities available (see also Area 1.1 transparency of supply and demand). The information contained in each vacancy notice needs to adequately describe the skills and competences required. PES may also need to pro-actively assist employers in developing appropriate content. To ensure quality of service, the system has to be kept up-to-date with vacancies not only posted promptly but also removed from the system as soon as they are filled. Further, in order for the PES vacancy database to have a real impact in the market it needs to cover a significant and representative proportion of the jobs available. Strategy should therefore address issues such as targets to achieve a minimum market share and collaboration with private agencies to exchange vacancies and increase transparency.
- The recruitment process can be burdensome for employers, particularly SMEs which may not have a dedicated human resources section. PES can help to reduce this burden by offering pro-active matching services such as the pre-selection of candidates or arranging work trials. The latter can be particularly important for young people without prior work experience. Such services should be developed as a collaborative venture between PES employer and jobseeker services so that the needs of the client can be best matched with the competences and characteristics of jobseekers.

- European PES have already identified **digitisation** as one of the key principles underpinning their long-term development strategy, recognising that investments in user-friendly technology can help to improve access to services as well as to reduce costs. This applies not only to the basic vacancy handling service but also to more sophisticated tools such as an **automated matching service** which employers can use to identify potential candidates from the pool of jobseekers registered with the PES.
- As well as working with existing employers, PES also have a key role to play in providing **advice and guidance to entrepreneurs and others wanting to start their own business**, particularly in growth sectors. This service, which may be delivered in-house or with partners, is particularly relevant for young people who are generally under-represented amongst the self-employed and often lack the basic business knowledge or financial capacity to put their ideas into practice.
- Finally, the [2012 Peer Review on PES](#) employer services concluded that **quality of service** is crucial to ensure the ongoing support of employers. This means, on the one hand, ensuring the provision of adequate numbers of suitably qualified staff and, on the other hand, making use of customer feedback information on an ongoing basis in order to ensure that the services offered are relevant to needs and delivered to the standard expected.

*Assessment of PES current capacity - Area 3:  
Services for employers*

**Medium score for services for employers limits access of young people to employment and training opportunities: need for further improvement in cooperation with private agencies**

The overall score for employer services is medium (3.2) indicating that PES generally have reasonable capacity/strategy in place for working with employers but realise that the service falls short of what is required to achieve the strategic objectives. Just over 40% of PES indicate that their overall service provision in this area is well developed, even if further improvement can be made. A fifth of PES consider their overall services for employers to be weak. The lowest average score relates to advanced vacancy handling systems, including exchange with private agencies, but there are also considerable disparities between PES in the allocation of adequate human resources and the implementation of quality assurance procedures using customer feedback.

Table 9 - Summary results for Area 3: Services for employers

	Average score (0-5)	PES capacity				
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)	
<b>3.1</b>	<b>Services for employers</b>	<b>3.2</b>	<b>13</b>	<b>12</b>	<b>6</b>	<b>0</b>
3.1.1	Strategy for engaging with employers to create employment / training opportunities for young people.	3.2	11	12	6	1
3.1.2	Strategy for vacancy handling with targets; vacancy exchange with private agencies.	2.9	10	11	8	1
3.1.3	Provision of proactive matching services in coordination with jobseeker services.	3.5	18	7	5	0
3.1.4	Provision of automated matching tools.	3.4	15	9	6	1
3.1.5	Measures to promote entrepreneurship.	3.2	13	10	6	1
3.1.6	Appropriate allocation of human resources.	3.1	13	7	10	0
3.1.7	Collection and use of customer feedback.	3.2	14	7	7	2

Number of responses varies between 30 & 31. See introductory notes for an explanation of what the figures show.

#### *Highest scores for pro-active and automated matching services*

PES assess most positively their capacity to help employer clients with the recruitment process, both through proactive recruitment services - where they suggest suitable candidates and may arrange work trials – and through the provision of automated matching tools that enable employers to identify jobseekers with appropriate skills for the vacant positions. Nearly 60% of PES consider themselves well equipped to deliver proactive recruitment services (average score 3.5) and almost half provide well developed automated matching tools (average score 3.4). Nevertheless, for each of these areas around a fifth of PES consider that their capacity is weak and one PES does not offer automated matching tools.

#### *Strategy to engage with employers scores less*

PES assess less positively their general strategy to engage with employers in order to create employment or training opportunities for young people (overall score 3.2). Less than a third of PES rate their strategy as strong and a fifth consider it to be weak. One PES indicates that they have no strategy in place. Overall, it suggests that PES have reasonable capacity to work with existing employer clients but may struggle a little to bring new clients on board, to enhance training opportunities or that they do not have differentiated methods and procedures in place depending on the type of employers. This area of strategy needs more work.

#### *Lowest score for advanced vacancy handling and cooperation with private agencies*

On average, the weakest area of employer services relates to the implementation of a strategy for effective vacancy handling (average score 2.9), which means first, having procedures and standards to ensure quality of content and timeliness of vacancies, second, targets to reach a minimum market share and third, increasing the coverage of the database by establishing agreements with private agencies to exchange vacancies. Here, less than a third of PES consider their current practices to be effective, while a further third have serviceable systems in place but recognise the need to improve. A quarter of PES acknowledge that strategy is ineffective and one has no strategy in place.

*Strong variation in relation to the use of customer feedback and allocation of human resources*

Two areas show significant disparities between PES:

- Over 45% of PES indicate that they have well established procedures for listening to their employer customers and reacting to the feedback provided, but nearly a third recognise that they do not do enough. Indeed, two of this group admit that they effectively do nothing. Clearly it is important for PES to provide a service that fits the needs of employers and introducing mechanisms to collect and react to customer feedback is a relatively straightforward and cheap way of improving service relevance and quality.
- Just under 45% of PES feel that they allocate adequate and suitably trained human resources to service their employer clients effectively, but a third recognise that they need to either allocate more resources or train their staff better or both.

## Area 4: Initiating alliances for basic and further training

European public employment services (PES) have recognised in their [2020 strategic vision paper](#) that alliances with relevant stakeholders are key for effective action across different policy areas. The need for alliances is particularly great in relation to education and training where a multitude of actors have interests not only in the delivery process but in the outcomes which directly impact on individual careers and the productive capacity of the entire workforce. Moreover, the need for alliances is heightened by the aspiration to achieve a true European labour market where skills and competences need to be transferable across borders. Already, for example, the [European Alliance for Apprenticeships](#) has been established to promote the quality and reputation of apprenticeships across the EU.

Young people without basic qualifications from school are the group most at risk of becoming long-term unemployed. In order to tackle youth unemployment effectively it is therefore a precondition to ensure that all young people are guaranteed access to high quality vocational training. Every step in the transition from school to vocational training or work has to be accompanied by an adequate support scheme that ensures that no one is missed and that everyone is given information, advice and guidance that is appropriate to their individual circumstances. Young people may need support to achieve a school leaving certificate, to change to a vocational training scheme that is relevant to their interests and competences, to finish their professional education, or to find an appropriate job and develop a sustainable career perspective.

Such a comprehensive support scheme requires combined efforts at all levels and the establishment of alliances is necessary to ensure that these are coordinated effectively. The range of stakeholders that may potentially be involved is broad, including firstly the public authorities responsible for education, vocational training and employment services, and then employers, social partners and sectoral bodies, as well as a wide range of organisations involved with supporting young people with difficulties of any kind. A national strategy and a clear regulatory framework should define the respective roles and responsibilities of all partners involved in the alliance.

Promoting the cooperation of companies will help to improve the quality and range of basic and further training available. This includes building up alliances for shared training delivery with a focus on SMEs to create more workplace-related training opportunities for young people.

Key elements of the PES role in alliances for education and training will be to: contribute labour market and skills analysis; engage with employers to improve the quality and availability of company-based training; provide guidance and advice to both employers and jobseekers on training opportunities; inform partners about potential sources of funding to support training activities.

### *Key aspects of initiating alliances*

- A central element of PES activities is the collection and analysis of comprehensive labour market information to assess and anticipate demand for skills (see Area 1.1). Through systematic cooperation with social partners, sectoral bodies, chambers of commerce, and employers at all levels this information should be used to contribute to a continuous review of curricula and ensure that the design of education and training programmes (including ALMP) corresponds to the needs of the labour market and that the resultant qualifications are adequately recognised.

- Within training alliances, PES can act as a universal point of contact for employers, social partners and sectoral bodies of all types and should use these relationships to **strengthen company-based elements of vocational education and training** at all levels. This includes promoting the value of providing such opportunities, encouraging investment, bringing together companies that could work jointly to share training provision and costs (e.g. alliance of several SMEs), etc.
- PES also have an important role in signposting social partners, chambers, employer associations to relevant advice and guidance services related to the upgrading of skills/work experience/employment of youth, to the prevention of dropout from training and to potential sources of funding to support training.

*Assessment of PES current capacity - Area 4:*

*Initiating alliances for basic and further training for young people*

Alliances to promote training are reasonably well developed, particularly to ensure that courses are relevant to market needs. More efforts are needed to develop a strategy to promote demand-side investment in training and in signposting functions.

Overall, PES report a medium capacity for training alliances (average score 3.1). 40% of PES consider activities to be well developed but 25% recognise significant shortcomings. The majority assess cooperation to design training and strengthen company-based elements to be good or adequate, even if some improvements are possible. However, many PES lack a clear strategy to engage employers and social partners to promote investment in training for young people. There are also significant weaknesses in PES capacity to signpost relevant stakeholders to specialist advice or funding opportunities.

Table 10 - Summary results for Area 4: Initiating alliances for basic and further training

	Average score (0-5)	PES capacity			
		Strong (4-5)	Medium (3)	Weak (1-2)	None (0)
<b>4.1</b> Initiating alliances for basic and further training for young people	<b>3.1</b>	<b>13</b>	<b>9</b>	<b>8</b>	<b>1</b>
4.1.1 Systematic cooperation with relevant bodies to design training relevant to market needs.	3.5	18	8	4	1
4.1.2 Systematic cooperation with stakeholders to strengthen company-based training.	3.3	12	12	5	1
4.1.3 Strategy for engaging employers and social partners to promote investment in training of youth.	2.7	9	10	9	3
4.1.4 Signposting organisations to services for upgrading of skills/work experience of youth.	2.8	8	9	10	1
4.1.5 Signposting organisations to funding / lending opportunities.	2.9	12	7	7	2

Number of responses varies between 28 & 31. See introductory notes for an explanation of what the figures show.

*Generally good cooperation to design training relevant to market needs*

A majority of PES (60%) report good cooperation with social partners, sectoral bodies, chambers of commerce, and employers in order to design education and training programmes that are relevant to current and anticipated market needs (average score 3.5). Of the remaining 40%, a third recognise that they need to do significantly more in this area.

*Reasonable efforts to strengthen company-based training, but many PES lack a clear strategy to promote investment in training for young people*

PES also cooperate reasonably well with relevant stakeholders in order to strengthen company-based training (overall score 3.3). This means working on a routine basis with employers, social partners and sectoral bodies to promote the value of providing training, encourage cooperation between employers to pool resources and know-how, etc. However, it appears that many PES lack an effective strategy for engaging employers and social partners in order to encourage investment in training – 40% consider their strategy weak or non-existent (overall score 2.7).

*PES role in alliances – signposting functions need to be strengthened*

In alliances for education and training the PES role is largely to act as a bridge between the education/training system and the world of work, promoting and facilitating training for young people through coordination, market analysis, and generally acting as a focal point for information exchange. As such, PES have an important role to play in signposting interested parties to specialised advice and guidance about training services and to potential sources of funding to support training, including facilities for lending. On average, PES assess their capacity to fulfil both of these functions as slightly below par: average score 2.8 for signposting to advice/guidance and 2.9 for funding. Around a third of PES are weak in these areas.

**HoPES Note**  
**on**  
**Criteria for sustainable wage subsidies**

**October 2013**

*A response from the European network of  
**Heads of Public Employment Services (HoPES)**  
to calls for action agreed at the Berlin Conference on  
Youth Employment on 3<sup>rd</sup> July 2013*



Supported by the European Commission



## HoPES Note on criteria for sustainable temporary wage subsidies

The proposed [Council Recommendation](#) on establishing a Youth Guarantee recommends the use of targeted and well-designed wage and recruitment subsidies to encourage employers to create new employment and training opportunities for young people. The [HoPES concept paper](#) also identifies wage subsidies as important measures to facilitate career entry and transfer.

It is important, however, to ensure that the positions created through public support in this way are sustainable and result in the long-term integration of young people.

In the concluding statement to the Youth Conference (Berlin, 3<sup>rd</sup> of July 2013) HoPES was asked to support the labour ministers in defining sustainable criteria for wage subsidies to ensure effective use of funds.

According to the PES assessment "conditionality" and "systematic monitoring and evaluation", followed by **targeting of subsidies**, are the most relevant criteria to ensure the effectiveness of wage subsidies. Many PES also consider "follow up of youth at risk after placement" very relevant.

Table 1 – PES assessment of the relevance of criteria for sustainable temporary wage subsidies

Rank	Criteria	Average score (0-5)	Relevance of criteria			
			High (4-5)	Medium (3)	Low (1-2)	None (0)
1	Conditionality of subsidies.	3.9	23	4	2	1
2	Systematic monitoring and evaluation of the outcomes of subsidised placements.	3.9	24	1	3	1
3	Targeting of subsidies to compensate for clearly defined productivity deficits.	3.8	19	6	5	0
4	Follow-up of participants.	3.3	16	6	6	2
5	Phasing out of subsidies in relation to the progress of the subsidised young employee/trainee.	2.7	10	7	8	4

Number of responses varies between 29 & 30

### Conditionality and systematic monitoring/evaluation considered most important

PES consider that conditionality and systematic monitoring and evaluation are the two most important factors in ensuring that temporary wage subsidies lead to sustainable integration for young people. Four out of five PES rate these two factors as very important (score 4/5) and 90% score 3 or above.

Conditionality refers to regulations that require employers to keep the young person employed for some period after the end of the subsidy period except when clear specific, clearly defined reasons are given. This is clearly a straightforward way to ensure that placements last beyond the subsidy period whilst the extent of conditions applied needs to be balanced with a potential disincentive effect.

Systematic monitoring and evaluation of wage subsidy measures is crucial to understand their impact, to see that they are delivered effectively to the right targets and appropriate employers, and to ensure value for money.

*Targeting to compensate for productivity deficits also important*

Slightly behind the first two criteria, two-thirds of PES consider productivity-related targeting to be an important factor and 80% score 3 or more.

The use of higher subsidies for young jobseekers with clear productivity deficits is designed to incentivise employers to take on young people who might otherwise be rejected as not suitable because of a lack of work experience, specific skills capacity or personal issues and long-term unemployment. Further comments by PES suggest that careful attention to individual needs and problems (i.e. through profiling) is required in order to ensure appropriate targeting. Further, analysis of patterns of youth unemployment is needed in order to target the weakest market segments and those with the most difficult labour market positions. Depending on the national labour market situation these may in many cases be low-skilled, but in other cases also high-skilled jobseekers.

*Follow-up considered very relevant by more than half of the PES*

Follow-up of participants after a placement has ended is ranked fourth. Around half of PES consider it of high importance and two thirds score 3 or more.

Follow-up support for employers and placed young people is generally implemented for higher risk jobseeker clients to ensure that placements are working for both, and to try and ensure that the placement is either sustained or that the young person does not drop out of the system after it has ended.

*Progressive phasing out of subsidies considered less important*

On average, PES assess the phasing out of subsidies in relation to the progress of the young employee/trainee to be less relevant to the effective implementation of temporary wage subsidy measures (average score 2.7) than other criteria. The idea is that subsidies can be reduced once the young person being placed has attained a certain level of competence. One reason might be that this could be difficult to define unless it is linked to the duration of experience or specific qualifications.

*Other relevant criteria recommended by PES*

Around three-quarters of responding PES provided indications of additional criteria that can contribute to sustainable integration through the use of wage subsidies. Suggestions fall into two main categories:

**a) Targeting: analysis of individual needs and the wider economic context.**

- Analysis of the job creation potentials of selected sectors is stressed. Social partners can also be involved to help identify new areas of job creation.
- Need to take more account of employer needs. Cutting social security costs can be important.
- Important to safeguard the needs of other workers and avoid displacement of existing employees

**b) Measure design.**

- Tailor subsidies to particular types of contract (open-ended, temporary...)
- Characteristics of the subsidy: no longer than 2 years; phased over time, paid in cash, etc.
- Other forms of conditionality: enrolment in specific training schemes; only employment covered by the social security system; payment of minimum wage, etc.
- Invest more in training prior to or during the period of support, as well as in mentoring activities.
- Need to avoid deadweight effects
- Employer's contribution to remuneration of the young person should be linked to the progress and productivity achieved (motivational effect for young people).

*Divergences in interpreting the impact of wage subsidies*

PES were asked to indicate, on the basis of past experience, for which groups of young people wage subsidies have had the most positive impact in terms of sustainable integration. A number of PES noted that they were unable to answer the question as the management of wage subsidy measures is not a PES competence, there was no systematic study or due to insufficient experience with subsidies.

PES able to respond fell into two groups of similar size but with opposite answers, reporting that subsidies are most effective for:

- High skilled young people (university graduates)
- Low or unskilled young people

There is probably no generally applicable rule and the most appropriate targets for temporary wage subsidy measures will depend on the local labour market conditions. Two of the latter group refer to evaluation results. A number of PES also refer to subsidies being effective tools for placement of long-term unemployed and young people with disabilities.