



Hungarian Presidency 2013-2014 of the
VISEGRAD GROUP



"Making the change!"

***Implementing new European strategies in Central Europe and the
Balkan region through the Public Employment Services***

**Joint seminar of the Public Employment Services of the Visegrad Group¹ (V4) and
the Centre of Public Employment Services of Southeast European Countries²
(CPESSEC) expert level meeting**

Background paper for Workshop No. 1 on

Future Skills Need and the role of PES in Central and Southern European Countries

1. Rationale

The key mission of Public Employment Services (PES) has always been *'to assist workers to find suitable employment and assist employers to find suitable workers'*, as the ILO Convention stated 60 years ago (ILO, C88, 1948³ Article 6 paragraph a/). This mission hasn't changed too much over the past six decades but there have been developments in methodologies. The same article of the ILO Convention also describes what adequate intervention is on the PES side:

"(i) register applicants for employment, take note of their occupational qualifications, experience and desires, interview them for employment, evaluate if necessary their physical and vocational capacity, and assist them where appropriate to obtain vocational guidance or vocational training or retraining," (C88) However, since the convention was formulated, delivery models – for example delivery through partnership- has been reshaping the classical, old PES model, as the *monopoly of the labour market intelligence (LMI)* is not any more at the PES side.

In the late 90's a new global approach to private and public partnership emerged, in which the two types of providers (public and private) complemented each other (ILO C181). Yet another step in post industrialised countries has been about *network building* (according the current EU jargon: PARES⁴ and PES 2020 initiative⁵) between different stakeholders whose are not only private (PRES) and public (PES) employment services any more but also local authorities, schools, trade unions

¹ <http://www.visegradgroup.eu/> V4 has 4 member countries: PL, CZ, SK, HU (founded in 1991, PL HU and Czechoslovak were the three founder.)

² <http://www.cpessec.org/> CPESSEC has 10 member countries: BA, BG, HR, MK, ME, RO, RS, SI, TR, HU (founded in 2006; HU become a full member in 2013)

³ http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_ILO_CODE:C088

⁴ <http://ec.europa.eu/social/main.jsp?catId=991&langId=en>

⁵ Public Employment Services' Contribution to EU 2020 PES 2020 Strategy Output Paper

chambers and lately even individuals. *Social media*⁶ has become a key platform for labour market intelligence delivery, including information on vacancies. Internet and social media (e.g. LinkedIn) also provide channels for both the demand and the supply sides to look up candidates or companies without the support of PES or PRES.

The uncertain times caused by the global economic crisis since 2008 has been challenging the public profile of the PES and have also raised questions about possible future models.

From the last hundred years when PES were founded and have existed, a couple of milestones with a strong relevance for these institutions can be identified. These include:

- the period of debate relating to the ‘social question’ in the late nineteenth century;
- the First World War and the subsequent social unrest;
- the Great Depression of the 1930s;
- the Second World War;
- the economic difficulties of industrialized countries in the 1970s
- and 1980s;
- the Asian financial crisis of the late 1990s. (ILO 2013 p.3)

These external changes always pushed PES as part of the government administration towards reforms, and sometimes to the rethinking of their mission statement too. We cannot be sure yet that the current crisis will have the same outcomes. In the first year of the current global crisis starting in 2008, the ILO – in a partnership with WAPES- collected (ILO, 2009⁷) the information from PES around the globe on the way the crisis affected them. The key outcomes were the following:

- Public Employment Services (PESs) are the principal implementing agencies for governments’ labour market programme responses to the economic crisis.
- The majority of PESs have responded to the crisis by expanding existing job-matching services or by introducing more flexibility to the eligibility criteria for unemployment benefits, intermediation services or labour market programmes. Other PES have reactivated or redesigned incentives or programmes used in previous crisis responses (e.g. Mexico, Chile, Canada, United States, Cameroon).
- A number of countries have targeted services to support groups of workers disproportionately affected by the crisis, in particular young jobseekers, retrenched workers and workers over 45 years of age (e.g. Japan, El Salvador, Jordan, Montenegro).
- The implementation of mobile services (services delivered on-site in an enterprise) has allowed some PESs to respond more rapidly in specific areas or to enterprises particularly affected by the economic downturn (e.g. Croatia, Thailand, Pakistan).
- Work-sharing, or short-time work schemes, have been introduced in many countries to prevent worker layoffs and enable enterprises to retain their skilled workforce (e.g. Turkey, Hungary, Uruguay, Mexico).
- Some PESs have strengthened partnerships with private employment agencies to extend employment services or to capitalize on the expertise of private employment agency staff (e.g. the Netherlands, New Zealand, Germany, Croatia). (ILO 2009)

⁶ Facebook just passed its 10 years anniversary in 2014 <http://abcnews.go.com/Technology/facebook-turns-10-years-old/story?id=22351547>

⁷ ILO (2009) Public Employment Services Responses to the Global Economic Crisis

2. Hypotheses

In this workshop, we are looking for evidence on whether fundamental changes have taken place or not in the thirteen national Public Employment Services of the Central / Southern European Region. Our hypothesis is that based on the international literature and key communications of international organisations (ILO 2009, ILO 2013, ILO 2014, OECD 2012), the current crisis can be a reason for a fundamental change of the PES service model. These changes are also provoked

- a) by the development of the amount of information that individuals can have access to (for example on labour market intelligence), and also
- b) by the changing nature of learning and training (e.g. lifelong and life wide learning).

As the OECD (2012) Skills Strategy suggests: “Skills have become the global currency of the 21st century. Without proper investment in skills, people languish on the margins of society, technological progress does not translate into economic growth, and countries can no longer compete in an increasingly knowledge-based global society. But this “currency” depreciates as the requirements of labour markets evolve and individuals lose the skills they do not use. Skills do not automatically convert into jobs and growth.” (OECD 2012)

If this is the case, what can be the new role of the PES in the region? PES have been collecting, analyzing and publishing a huge amount of data - but are these still the most appropriate ones?

While on one hand many PES have adopted the terminology of and a stronger focus on “skills”, “learning outcomes” and “competence/ competency”, on the other hand they continue to publish analysis on future needs of occupations (ISCO⁸) and vocational training or full term active labour market training programmes. The OECD has been emphasizing the importance of foundation skills (based on the PISA and PIACC studies), along with vocational/technical skills which can be built at the top of the foundation skills⁹. What effect has it had, if any, on the PES business model and key activities?

Some of the Western European PESs have been developing new taxonomies and new ways of service delivery (e.g. VDAB, Pole l’Emploi (former ANPE): tool ROMME) to meet these challenges. The Central/ Southern European Region after the collapse of the Communist Systems joined these effort 20-25 years ago.

The workshop (No 1. on future skills) will deal with two key issues

- a) delivering VET as an active labour market policy tool and
- b) providing labour market prognosis.

3. Delivering full TVET vs. supporting CPD/E

According to the classic terminology on vocational training or re-training (based on ILO C88), the role of PES is to act as an full term training course provider agency (or contractor) and assisting the adaptation of the supply side of the labour market. This met with the needs of mass production where relatively few job posts existed and the change of the technology was slow. Since the 1980’s, continuous professional development/education (CPD/E¹⁰) has become fundamental in most professions, and not only for the high-skilled.

⁸ As an overseas example see USA BLS developed O NET taxonomy is based on 974 occupations <http://www.onetcenter.org/overview.html>

⁹ http://www.keepeek.com/Digital-Asset-Management/oecd/education/better-skills-better-jobs-better-lives_9789264177338-en#page1 OECD Skills Strategy 2012 p 9.11 (Introduction chapter)

¹⁰ http://en.wikipedia.org/wiki/Continuing_professional_development

“CPD obligations are common to most professions. Many professions define CPD as a structured approach to learning to help ensure competence to practice, taking in knowledge, skills and practical experience. CPD can involve any relevant learning activity, whether formal and structured or informal and self-directed” (Wikipedia). This wording is widely spread in Western and Northern Europe but sometimes it remains more of words than everyday reality in Central / Southern Europe¹¹.

CPD/E can be seen as part of the European lifelong learning (LLL) agenda which also links the role of PES to flexicurity¹². It is a questionable what is the right division is between full term vocational training/ re-training delivery of the PES and providing continuous professional training6 education CPD/E for the job-seekers. In the CDP/E approach, personal learning accounts (also) have a particular importance and link the role of PES with lifelong (career) guidance¹³. In the concept of CPD/E, understood as part of the broader paradigm of lifelong learning, vocational training is a part of the active labour market policy programme toolbox of PES. In CPD/E, the emphasis is mainly on short term interventions and on the role of the individual vs. the role of the public services.

4. Role of labour market prognosis

Developing and providing labour market prognosis is a more recent task of the PES, but also link PES activities to the issue of labour market information asymmetry. The main purpose of these activities is to inform both sides of the market of future needs. The information provided might influence the decisions and actions taken by citizens or companies. Currently, labour market prognosis often means demand-driven analysis where the analysis on the supply side (demographic) is less developed. As a political outcome of the current European economic and demographic crisis, the European Commission (see for example the CEDEFOP Skills Forecast¹⁴) as well as the Member States’ administration are all using labour market prognosis to seek for future skills need. There are, however, significant differences at the level of details on the future demand side. The CEDEFOP Skills Forecast has been using the Labour Force Survey as a starting point and built up different scenarios at EU and at Member State level, by gender, occupations and sectors. Another example is the Anglo-Saxon model (Ireland, England) of setting up sector-skills councils (OECD 2012 p. 21). Within these councils different employers (small and big companies, multinational and regional ones etc.) from the same field can discuss their own needs and compare the outcomes of the national/regional VET system or PES training programmes with their job-post descriptions. Within the work of the sector-councils, public administrations (which can be the PES staff or VET staff or even both) facilitate the discussion and also work on the updated taxonomy of the job-profiles. This process feeds into the school-based VET system and also helps the PES update labour market training offers or look for new private/NGO contractors. It is obvious in both cases that PES is only one partner within the system, it handles some of the training and continuous vocational training elements as an organisation and also links its own work with other economic / social policy initiatives (such as tax relief for individuals or companies, individual learning account, etc.) at national or regional levels.

5 Open questions for the afternoon workshop

Training and vocational training as an active labour market policy tool

¹¹ Eurostat LLL (age group of 25-64) (The only exceptions are CZ and SI in this regions.)
http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/main_tables

¹² <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/flexicurity.htm>

¹³ http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/educ/104236.pdf

¹⁴ <http://www.cedefop.europa.eu/EN/about-cedefop/projects/forecasting-skill-demand-and-supply/skills-forecasts.aspx>

- *How would you define the nature of labour market training programmes? Is it closer to CPD/E or traditional VET programmes?*
- *Which sector is taking a stronger ownership for VET schools or employment services?*
- *Does the meaning of “skills” clear in your national context?*

Roles of labour market prognosis

- *Who run labour market prognosis in your country?*
- *Is there a debate (at any level, e.g. role of the sector councils, chambers, social partners) about the reliability of these prognoses?*
- *If your PES is carrying out labour market prognoses how do you aggregate the occupational demands?*

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Annex 1

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On-line demonstration (1995-2010):

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