Delivering Employment Services for the Future
Executive Brief and Research Report
Europe’s labor markets are experiencing a profound change and policymakers need to support the change to rekindle economic growth while meeting the needs and aspirations of the future generation.

The immediate challenge that these policymakers are working against is a macroeconomic climate that continues to remain strained. The Eurozone is trapped in a double-dip recession with a 0.6 percent drop in GDP for the last 3 months of 2012. Yet even amid this crisis, there is a need to look forward to long-term issues that must addressed.

The aging workforce is one such issue. In essence, the region will see a significant increase in the percentage of the population age 65 and above from around 17 percent in 2009 to nearly 30 percent by 2050, which will have an impact on the labor force as well as on support needs from the state (See Figure 1). It is imperative that this group is prepared with the skills that employers will need in the future, which shows a trend towards non-routine interactive and analytical skills needs, diverging from the more routine manual skills over the last two decades. This shift will only get further exacerbated 20 years from now (See Figure 2, which references US data, though EU-27 shows comparable trends as per OECD analysis).

While there are many long-term challenges facing Europe’s labor market, this executive briefing focuses on how to correct critical imbalances in the labor market today, including getting the current generation job-ready for the future, enabling pathways to employment, and building greater transparency among the different labor market actors (government, employers, training providers and job seekers) to enable a better match of jobs and skills.

**Figure 1: Rapid population aging**  
Share of population aged 65 and over (%)

**Figure 2: Changing skill demands (skill polarization)**  
Change in labor demands in the United States, 1960-2002

Source: OECD 2013
Europe’s public employment services (PES) are on the front lines when it comes to addressing these issues. In many European economies, they are the primary labor market actors. As such, PES are well positioned to play the role of “orchestrators” to make labor markets work more efficiently. Needless to say, however, PES do not address the demand side of the issue—the lack of jobs in the economy. Despite this, they can clearly help improve transparency of labor market information, enabling mobility and employability of workers and aiding job seekers in finding the right vacancies through sophisticated matching of skills and competencies. What’s more, PES are at the heart of labor market regulation and the reforms needed. In all, today’s labor market issues have become PES issues. And ultimately, PES’ ability to deliver employment services for the future will be measured by how far and wide they can curb unemployment and address the essential skills needs of the economy.

About this executive briefing
This executive briefing follows a previous Accenture preview paper that explored key themes and topics on the European employment agenda. This more in-depth exploration reveals key discussion outcomes from the European Centre for Government Transformation Roundtable on Employment and Skills, held in Brussels in February 2013. This executive briefing includes excerpts from key themes discussed there, combined with research and insights from academia and Accenture’s experience working with PES across Europe. Please note that comments are not attributed to specific individuals.
Four challenges facing public employment services in Europe

Challenges

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<th>Long-term impact of demographic change</th>
<th>Mismatch between geographical supply and demand</th>
<th>Lack of competitiveness and lagging labor productivity</th>
<th>Increasing inequality</th>
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<td>(See Figure 1.)</td>
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Implications

- There is a need to create a productive and fluid labor force across the generations by reassessing the boundaries among education, employment and retirement.
- At a European level, despite weakness in the labor market, there is a dislocation of jobs and skills availability.
- The necessary enablers that allow labor and skills mobility across the continent are not in place.
- There is a lack of understanding of future skills needs.
- Europe needs to regain economic competitiveness in the global market.
- There is a lack of coordinated action at government, employer and educator levels.
- There are significant opportunities to raise the human capital through innovation and new technologies.
- Increasing inequality is going to affect the instability of society.
- Sustaining social cohesion will be more difficult across the world.
- Social component to hold the society together are disappearing and inequality is increasing, and social gaps, which are very difficult to close.

Suggestions from Experts

- Relax retirement age in the labor force and provide flexible working schemes for workers.
- Improve overall participation rate in the labor force including youth, women and single parents to manage the impact of demographics.
- Use active labor market policy to activate job seekers; provide alternative pathways to work including vocational training or apprenticeships.
- Develop sector skills strategies for target industries with employers and training providers.
- Strengthen the EURES system to enable jobs and skills matching, and aid mobility across the single market.
- Work with other PES and Education Boards to align education qualification and recognition across the EU and globally.
- Deploy technology to facilitate better labor market information and matching.
- Provide a lifelong learning framework and personal learning portfolio to improve skill levels of the workforce.
- Work with employers to invest in skills while employees are in work and work with PES to provide proactive support on skills needs for the changing composition of industry or the economy within a region.
- Work closely with different actors to provide transparent labor market information to enable more fluidity and efficiency in the labor market.
- Invest in human capital and social intervention packages to up-skill and protect the under / unemployed group.
- Equip workers with soft skills for instance, making learning a second language compulsory to improve the mobility of the workforce.
- Address the culture of entitlement at a political level to incentivize employment uptake of the under/ unemployed.
Employment trends across Europe

Did you know?

Long-term impact of demographic change
(See Figure 1.)

Mismatch between geographical supply and demand
(See Figure 2.)

Lack of competitiveness and lagging labor productivity

Increasing inequality
(See Figure 3.)

• Employment rates for older workers remain very low in many EU member states. Only three out of 10 of those in the “pre-retirement” age cohort (60 to 64) in the EU27 are in employment. Between 1995 and 2030 the proportion of the labor force made up of 45- to 59-year-olds is projected to increase from 25.6 percent to 31.8 percent in the OECD as a whole.3

• In the United Kingdom and the Netherlands, the greatest share of shortages of skilled labor is in the financial and non-market services sectors. Conversely, in Italy, Portugal and the Eastern European countries, skill and labor shortages are more pronounced in the manufacturing sector. Skilled labor to meet these needs is dislocated across member states.4

• According to the OECD data in 2011, EU workforce productivity levels still lag the United States by more than 30 percent, hindering member states’ capacity to shift toward truly differentiated, higher value-added activities and sustain economic competitiveness.5

• In OECD countries today, the average income of the richest 10 percent of the population is about nine times that of the poorest 10 percent – a ratio of 9 to 1. It is much lower than the OECD average in the Nordic and many continental European countries, but reaches 10 to 1 in Italy, Japan, Korea, and the United Kingdom; around 14 to 1 in Israel, Turkey, and the United States; and 27 to 1 in Mexico and Chile.6

Figure 3: Increasing income inequality, Gini coefficient

Source: OECD 2013
Responding to Europe’s employment and skills challenges

Europe’s labor markets are experiencing multiple pressure points, both in the short- and long-term, as confirmed by the PES experts at the Employment and Skills Roundtable. What exacerbates the challenge is that they must deliver more and better outcomes despite an environment of budget constraints and general austerity measures. This tough, do-better-with-less reality has provoked a number of PES across Europe to completely rethink their service concept:

In the Netherlands, the UWV,\(^7\) assessed its fiscal resources, target customers and highest priority labor market issues. As a result of the assessment, UWV moved to a primarily e-service concept. The onus is on job seekers to create personalized profiles and development plans and use technology in a pervasive manner—from creating a profile to accessing e-learning. Job seekers also visit a public employment office only when there is a critical need for a face-to-face contact. This approach allows UWV to focus its resources on the people who are most in need and distant from the labor market.

Given the major shifts in the labor market and demands on the PES, the French Public Employment Service (Pole Emploi) initiated a strategic review called Pole Emploi 2015. Personalization, proximity to the local level and managing by performance are the three focus areas of the strategy. The first area is to deliver tailored services to both job seekers and employers based on their specific needs and conditions, while maintaining equity and universality. The second focus is to deliver services at a territorial level adapted to the territorial actors, while allowing for local actors to best adapt the services. The third area is about enabling accountability and performance management to improve productivity and resource use to drive better outcomes.

These are just two examples of changes that Europe’s PES are making in service concepts in response to today’s climate. In fact, this phenomenon is widely experienced as a number of PES have initiated fundamental reforms to address the future needs of the labor market.
Rethinking the role of the public employment service

Beyond rethinking service concepts, PES can deploy a range of tools to address the needs of today’s labor market. In fact, recent Accenture research and experience of working with PES, reveals that these tools and interventions should be aligned with structural shifts that are reshaping the whole of public service delivery.

With a vision to understand the changing face of public service, Accenture surveyed more than 5,000 citizens worldwide and tapped the knowledge of experts in 10 countries. The focus of this Delivering Public Service for the Future: Navigating the shifts research was on exploring the growing gap between what governments want to achieve and what they can actually do in a resource-strapped environment.8

The research suggests that an agency’s effectiveness in delivering public service for the future hinges on making four structural shifts—and acting on a corresponding framework to drive change.

These shifts resonated with many of the PES personnel who attended the Roundtable. They envision future employment services as more personalized, insight-driven, entrepreneurial and productive. Interestingly, some PES are already adapting strategies that align with these shifts, and we explore several case studies in this executive briefing (see Figure 4.)

These shifts include:

1. Shifting from standardized to personalized services. This is about working with citizens to design services that reflect the way they live, and integrating service delivery so that it is one-stop, convenient and accessible.

2. Shifting from reactive to insight driven. Agencies need to be positioned to act on the wealth of data to work more proactively than ever, solving problems, streamlining processes, and, ultimately, driving better results.

3. Shifting from public management to public entrepreneurship. By working across traditional public service boundaries and seeking out new forms of collaboration, agencies can work in new ways to drive a better return on investment and spark economic opportunities and growth.

4. Shifting from piecemeal efficiency to mission productivity. From program initiation to implementation, agencies must seize on and commit to actionable steps to improve productivity, set clear priorities and take advantage of economies of scale.

But what do these shifts specifically look like in the PES environment?
### Figure 4: Responding to structural shifts: The new face of Europe’s Public Employment Services

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<tr>
<th>Structural Shifts</th>
<th>What does it mean for the Public Employment Services?</th>
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<td>From standardized to personalized services</td>
<td><strong>Understanding the customer</strong></td>
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<td>From reactive to insight-driven</td>
<td>• Provide customized, tailored employment services that suit employers’ and job seekers’ needs, based on their specific circumstances and support needs; transition certain segments to self-service approaches where appropriate to free up critical resources.</td>
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<td>From public management to public entrepreneurship</td>
<td><strong>Understanding the labor market</strong></td>
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<td>From budget cuts to mission productivity</td>
<td>• Use sophisticated labor market intelligence tools and processes to map distribution of supply and demand for jobs, as well as the location of skilled labor and make these visible to key actors in the labor market.</td>
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<td><strong>Understanding their own roles</strong></td>
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<td>• Rethink the roles and boundaries of the government in providing employment services; engaging other labor market actors (e.g., employers, training providers, community networks) to enhance division of services.</td>
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<td><strong>Understanding their operating context</strong></td>
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<td>• Apply leading practice techniques for organizational processes; rationalize the delivery infrastructure to enable integrated, productive working within the PES. Re-think the role/function of employment offices and the tier of government at which they operate.</td>
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<td>• Manage for outcomes and productivity by using tools and systems to track results; shift the model toward paying for performance based on results (e.g., effective integration into the job market, reduction in vacancy periods.)</td>
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<td>• Effectively use funding to provide both checks and balances on performance. Foster internal competition among employment offices to examine which policies are more effective and yield better outcomes.</td>
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<td>• Integrate PES network and services by leveraging formal and informal networks, connecting with the European Commission (EC) to access expertise, platforms and modernize the PES.</td>
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Case Studies

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<th>Pôle Emploi 2015, France</th>
<th>UWV 2015, The Netherlands</th>
<th>BA 2020, Germany</th>
<th>WDA, Singapore</th>
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| **A key tenet of Pôle Emploi’s (PE) 2015 strategy is Personalization.**  
“Even if PE provides and will continue to provide a universal public service, the needs and aspirations of users do not require a uniform service.”  
The other focus areas of PE 2015 are delivering services at a territorial level adapted to the territorial actors, and enabling accountability and performance management. What does this mean for:  
**Job seekers:** The service offer will be modulated according to the degree of autonomy in the job search and the intensity of the needs in order to facilitate the sustainable return to work.  
**Employers:** The service offer will be modulated in order to further assist the companies whose needs are the greatest (e.g., poorly equipped to recruit, faced with difficulties in recruiting, or recruiting on occupations with limited potential) and will provide employment opportunities tailored to the profiles of job seekers accompanied by Pôle Emploi.  
**Local offices and partners:** Pôle Emploi will seek greater flexibility and better adaptability of its service offer based on territorial context, taking account of the presence of partners, with more “room to maneuver” for staff. | **Given a very difficult economic environment and austerity measures (over 50 percent reduction in budget compared to 2011), UWV Werkbedrijf is moving to a “Primarily online service principle,” with a major onus on Individual responsibility.**  
New e-service principles will rely heavily on information management or “insight-driven services” to identify target groups with the greatest needs and support enforcement and transparency of labor markets to drive job activation. What does this mean for:  
**Job seekers:** Self-governance, and a focus on opportunities and enablement; development of “ Werkmap” (personal environment) allowing them to search and find jobs; assistance in preparing a resume; training provided using e-learning modules, films and webinars  
**Employers:** Nationwide network of 30 regional offices in cooperation with municipalities; Registering of vacancies on jobsite Werk.nl  
**Local actors (municipalities and private):** Provision of e-intake and “werkmap” for recipients social benefit; (Joint) covenants with employers and sectors. | **Like all major PES, BA’s view is that the era of “business as usual” is behind us and the social function of the PES is set to change. The community has entered an era of public entrepreneurship, where government is rethinking its roles vis-à-vis other actors.**  
**BA continues on its dynamic reform path as part of its 2020 strategy. There are three key phases:**  
1: Manageability;  
2: Operational performance  
3: Market innovations  
What does this mean for:  
**Job seekers:** Guidance and enablement approach; a joint action plan with the PES tailored to needs and delivered through a range of labor market actors (including employers, training providers and community organizations); intensive support for market-remote customers.  
**Employers:** Services targeted to their needs through an alignment of functions; a focus on driving transparency and continuing to decentralize within a standardized business model, using e-services.  
**Local offices:** Ensure effective collaborations with other actors including employers and “ wholesale” organizations (e.g., temporary employment agencies.) | **Singapore aspires to a strong and inclusive labor market; WDA is often seen as one of the most productive and high impact PES in its peer group. The future strategy is:**  
- Create customized interventions at individual level  
- An individual learning portfolio  
- Explore more dynamic, inclusive learning programs  
- Continuous education and training approaches  
- Targeted communications to raise customer awareness  
- Multiple pathways to deepening of skills and knowledge  
- WDA’s national CET (Continuing Education and Training) + IT plan  
What does this mean for:  
**Job seekers:** Greater access to information, better education, guidance and enablement, individual attention; strong sense of personal responsibility.  
**Employers:** Working closely with the PES on collective bargaining approaches (through unions); joint responsibility for up-skilling and workforce development; transparency of labor market information to facilitate better matching; extensive use of e-services. |
Scaling change, preparing for the future

A radical new operating context translates into a set of acute challenges for governments looking to boost the performance of their skills and labor market infrastructure. Demographic changes, restructuring of several European economies, supply and demand misalignment, and variable labor productivity pose problems for public leaders that cannot be addressed through traditional policy or operational paradigms.

Four shifts in the public service landscape can unlock high performance and impact for PES. Yet to scale these fragments of innovation and qualitatively shift toward the employment and skills services of the future, a substantive look at opportunities for collaboration and joint action among the PES network is key. It is also important to articulate the enablement role that the EC can play in fostering transnational infrastructures and coordination among the different labor market actors.

The following are fact-sheets from PES and associated labor market actors across the world as a result of their transformation efforts:

**Pôle Emploi, France**
- On the ALMPs front, Pôle Emploi has designed a range of training programs such as Pactes régionaux de réussites éducatives et professionnelle, which is specifically tailored for Not in Employment Education or Training (NEET) and young people.
- There is also a significant effort to link services and platforms to the European programs such as EURES and Youth Guarantee.

**UWV, The Netherlands**
- 374,998 CV’s and 101,416 vacancies available on the jobsite Werk.nl.
- 90 percent of the inflow of unemployed job seekers via e-intake (digital registration.)
- 3 million visitors on Werk.nl
- 74 percent usage of the “Werkmap” (personal environment for job seekers.)
- 9 percent of the job seekers are not able to use the digital channel.

**Bundesagentur fur Arbeit, Germany**
- Results-oriented management at BA has resulted in the following outcomes for job-seekers:
  - Shorter duration of unemployment by 17.4 days from 2007 to 2012,
  - 48 percent more filled vacancies (no. of job placements) between 2007 and 2012.
  - 35.4 percent reduction in the unemployment stock (individuals formally on the unemployment register) between 2006 and 2012.

**Workforce Development Agency, Singapore**
- One third of members on the board come from the union, the rest are private employees. WDA has built a triple relationship with employer, employee and union to ensure buy-in from workers.
- CET programs include over 2,000 courses, over 500 training Institutes and will have over 1 million trainees by end of 2013.
- During the financial crisis in the 2000s, WDA helped companies to keep their workers by subsidizing 50 percent of their wages and asked employers to take the opportunity to send their workforce to training.

**State of Ohio, USA**
- The State of Ohio had experienced a low employment rate in the past. To address the situation, the governor aligned Ohio’s worker training programs and education system with employers’ workforce needs. The State created an online program for businesses to divulge their workforce needs to the state more privately.
- The governor refers to this program as the “Ohio miracle”—the result of closing an $8 billion budget deficit in 2011, a jobs sector that is growing and a predicted budget surplus for the State.

**National Skills Development Council, India**
- NSDC has been mandated by the Indian government to catalyze (advocate, create, fund, facilitate and incentivize) skill development in India. It has a mandate to skill 150 million people in India by 2022. NSDC intends to address these issues on two tracks.
  - NSDC is tasked with developing an enabling environment for skills development, e.g. trainee placement mechanisms.
  - It encourages private sector investment and initiatives in training and skill development in 20 high growth sectors and the huge unorganized sector.
- NSDC has been provided a seed funding of Rs.1, 000 crore (approx. US$ 184.3 mn) by the government of India to launch the program.
Different points of departure but a new, shared reality for the future

Europe has long aspired to be a flexible, open and vibrant regional labor market, with a raft of programs, especially under the Europe 2020 Strategy and “New Skills for New Jobs” (See Figure 5) initiative, that are designed to ease mobility, facilitate better skills-to-job matching across borders and develop future human capital. However, this overarching ethos belies a diversity of national contexts, ranging from the liberal-market approach of the United Kingdom, to the inclusive, social democratic approach of the Nordic states.

Public leaders engaged in Europe’s employment and skills agenda must design future strategies appropriate for their nation’s unique context, while proactively addressing the challenges of the future. The financial crisis has brought this into sharp relief—crystallizing the need to do this by mobilizing new resources, building new partnerships and leveraging technology to boost productivity.

The current reality is that the actual roles and tasks of PES across Europe will follow a spectrum. This spectrum ranges from a classic “brokerage” function and the enablement of a labor exchange to actively shaping future labor markets, including administering a variety of ALMPs as well as coordinating passive instruments, including unemployment insurance.

Each of these models implies a different set of political, economic and social relationships, and each in turn has precipitated a different approach to active labor market policy and skills development:

**Germany and France**
In Germany and France for example, a strongly conservative-corporatist ethos has translated into PES that are active and interventionist, through an emphasis on employment protection and support for universal social entitlements. But the regime is designed to protect traditional family structures with a detrimental impact on overall labor market participation.

**United Kingdom**
The United Kingdom, by contrast, has progressively liberalized its employment service, collaborated with wider labor market actors (e.g. the Work-Programme) while simplifying and tightening entitlement criteria (e.g. Universal Credits) with fiscal austerity accelerating a long-term set of policy trends.

**Norway and Denmark**
The Scandinavian model is characterized by “flexicurity,” essentially a welfare state model with a flexible labor market that actively promotes all segments to participate in the labor market.

**Spain and Italy**
In southern Europe, the Mediterranean model promotes strong “familialism” (i.e. a large number of family owned companies) with rigid employment protection. And a generous benefits system has made it difficult for PES to act flexibly in the face of financial crisis.
EU 2020 policy target highlights

EU’s New Skills for New Jobs initiative promotes better anticipation of future skills needs. The program aims at developing stronger matching between skills and labor market needs and bridges the gap between the worlds of education and work. Emerging trends in labor and skills needs are also analyzed at sectoral level and also developed with Sector Skills Alliances.

Mobility - ‘Youth on the Move’ is an initiative to enhance the Commission’s student mobility, university and researchers’ programs (such as Erasmus, Erasmus Mundus, Tempus, Leonardo da Vinci and Marie Curie) and link them better with national programs and resources. The program includes the modernization of higher education (curricula, governance and financing) and explores ways of promoting entrepreneurship through mobility and programs for young professionals. It also promotes the recognition of non-formal and informal learning. The program also highlights new youth employment policies to encourage apprenticeships, traineeships or other work experience, including the EURES scheme, which promotes mobility across the EU.

European Social Fund – ‘Skills Support for the Unemployed’
The Skills Funding Agency currently funds four European Social Fund projects to support adults and young people. “Skills Support for the Unemployed” program ensures that capacity is in place to provide support to unemployed individuals on benefits who are looking for work but face a skills barrier to entering the labor market. The Agency procures provision which will ensure adults (aged 19 and over) are given the right level of skills and employability support that they need to improve their chances of gaining employment (including starting an Apprenticeship).
Europe's labor market actors need to work together

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<th>PES managers</th>
<th>PES networks</th>
<th>National policymakers</th>
<th>The European Commission</th>
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<td>PES managers are on the front line of Europe’s jobs crisis, with responsibility for using the range of available tools (especially active labor market policies) to make a tangible difference in skilling, job matching and (re)employment in their countries. From the Roundtable experts.</td>
<td>Strong networks and relationships among PES can facilitate mutual learning, peer support and the exchange of research, insight and leading practices. Both formal and informal networks can facilitate closer links, more effective learning and partnerships among agencies. From the Roundtable experts.</td>
<td>National policymakers set the macro environment and the operating context for the PES, including frameworks for performance, outcomes and accountability. From the Roundtable experts. Policymakers need to be more flexible in the way they work; think and act more like entrepreneurs to increase PES agency productivity. Working closely with PES, national policymakers should empower and enable PES to play a more active role in shaping effective labor markets. They need to be responsive to the intelligence provided by the PES on the changing dynamics of the market, (e.g. on youth employment or changing local economies) and act with agility, launching key programs and interventions as needed. National funding, particularly the balance between active and passive labor market policies, also needs a periodic review to drive the right behaviors and outcomes for job seekers.</td>
<td>The Commission plays a key role in creating the infrastructures, processes and information systems that can enable better national coordination and better relationships among the European PES network. From the Roundtable experts. The EC can take further steps to improve jobs mobility, employability and sustainability of European labor markets by enhancing job portals such as EURES. It can use funding to target specific sector needs of member states. The EC can also coordinate mobility programs for member states to promote further sharing of knowledge, leading practices and innovations across PES clusters that share similar goals and market conditions. The EC should also continue to align member states’ labor programs and coordinate member states’ efforts. See Figure 5 for some of the major employment policies from the EU 2020 strategy.</td>
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PES managers will continue playing an active role in shaping and orchestrating future labor markets by using analytics to better manage available labor market information. PES agencies agreed that the adaption of the latest tools can greatly improve the overall performance of the agency. In the meantime, PES managers need to manage budgets effectively in planning for the skills and resource needs. They need to create advocacy at the top of government that view PES spending as an investment and that understand that PES can be key instruments in unlocking labor markets and to increasing productivity for the country over time.

PES need to build stronger networks with peers and the EU to harmonize their labor market system. Participating in workshops and roundtable events such as the one hosted by the European Centre for Government Transformation can strengthen ties among PES, and allow them to work more effectively across national boundaries to gain leading practices, learnings and market insights from peers and use this to inform national labor market policies and programs. To build a robust employment network, integration at all levels is the key.

The EC can take further steps to improve jobs mobility, employability and sustainability of European labor markets by enhancing job portals such as EURES. It can use funding to target specific sector needs of member states. The EC can also coordinate mobility programs for member states to promote further sharing of knowledge, leading practices and innovations across PES clusters that share similar goals and market conditions. The EC should also continue to align member states’ labor programs and coordinate member states’ efforts. See Figure 5 for some of the major employment policies from the EU 2020 strategy.
Re-thinking the role of the Public Employment Service

The future of Europe’s labor market—and the role of the PES—will continue to evolve through deliberation, debate and a networked approach to the challenges faced by the member states, as well as active support from the EU institutions. At the Roundtable, PES representatives discussed the vision for the overall European employment strategy. Moving forward, Europe’s key labor market actors must continue to collectively work together to improve the employment market landscape.

We have noted that PES managers and national policy makers must design future strategies appropriate for the unique context of their countries. The financial crisis has brought this into sharp relief – crystallizing the need to do this by mobilizing new resources, building new partnerships and leveraging technology to boost productivity.

PES’ operating in corporatist welfare systems such as France and Germany will continue to maintain focus on job-protection whilst boosting labour market productivity through a highly personalised and interventionist approach. PES’ working in a liberal-market environment such as the UK, will continue their emphases on building value chains across public, private and civil society sectors to create a new social-compact to enable re-integration of individuals into the labor market.

A number of PES’ are actively re-orienting their service offer around new technology and a channel-shift to online and mobile working – with the intention of fostering a ‘self-service’ culture as a means to manage demand and shift resources to hard-to-reach groups. Netherlands and Denmark’s service model exemplifies this approach, building on a strong legacy of e-government.

A consistent theme across Europe’s PES’ is transformation, and as part of that re-thinking their roles vis-a-vis other actors in the labor market.
Toward an efficient labor market

PES will act as the primary actors to aid labor market transparency, mobility and employability. This means a fundamental shift in ways of working. It means an openness to look beyond traditional boundaries and collaborate with a range of public and private stakeholders at home and abroad. It means embracing an ethos of “managing for outcomes” to make the best use of assets and people. While Roundtable participants shared a number of creative ideas and pathways, they all agreed on a common set of capabilities that they will need to deliver employment services for the future.

• A market intelligence competency to anticipate current and forecast future labor market demand, translating this insight into effective and early intervention across different levels of the organization (national, regional and local offices.) Many PES representatives discussed their efforts toward this goal. However, a key issue in the past has been seeing this as a research function that is distant from the actual policies and programs delivered by the PES. This is an area where PES can look to work closely with the EC to develop both a pan-European and national level labor market monitor and provide this insight to all relevant actors for coordinated action.

• An agile service strategy that supports the business objectives, including effective channel management, use of social media and mobility tools to cater to the future needs of job seekers and employers. There was a big emphasis at this year’s Roundtable on an online or e-services approach, primarily driven by cost constraints. Many PES have embarked on a review of their service concept, around the needs of the market and are taking this as an opportunity to reinvent their roles and their engagement model with customers and are doing this with agility and a continuously evolving process.

• A partnership orientation with emphasis on including other labor market actors such as employers, training providers and research organizations in the value chain of employment service delivery. There is an acknowledgment that there is a lot to be gained by joining forces, across other actors in the market, especially with employers and training providers, but also temping agencies and social enterprises, and making them a part of the PES service model.

• A knowledge-management culture where the PES workforce is motivated to learn new tools and techniques, share knowledge and leading practices both within the organization and across the PES network. Most PES agencies have started working toward a knowledge management culture where they are open to sharing best practices and facilitating mutual learning. At the next stage, this needs to be formalized across a number of PES, so that the staff recognize the importance of continuous learning, capturing and disseminating knowledge.

• A high-performance commitment promoting a culture of continuous improvement and deriving the best use of assets and people. With a major focus on austerity, PES have initiated a range of programs to help reduce inefficiencies and redundancy in their operations. This has ranged from a clustering of employment offices, to implementing shared service approaches for the back-office functions, to aligning remuneration to results.
PES must play a central role in stabilizing their national labor markets, while keeping an eye on, and preparing for, changes on the horizon—from demographic shifts and internationalization of the labor force to the dynamic influence of technology. The learning from the Roundtable reveals that PES are committed to reform and ready for this role. PES understand the imperative for change, and they can see exciting opportunities to act decisively to deliver employment services of the future. The European Centre for Government Transformation will be following the paths of the varied PES to evaluate the impact that the different approaches yield.
A special thanks to all who participated in the lively discussion at this year’s Roundtable.

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<tr>
<th>EU Representative</th>
<th>Koos Richelle</th>
<th>Director-General</th>
<th>Director General of DG Employment, Social Affairs and Inclusion, European Comm.</th>
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<tr>
<td>EU Representative</td>
<td>Ricardo Ferreira</td>
<td>Policy Officer, Skills and EU Commission Qualifications</td>
<td>DG Education and Culture, European Commission</td>
</tr>
<tr>
<td>EU Representative</td>
<td>Gregorio de Castro</td>
<td>Policy Adviser, Employment Services</td>
<td>DG employment, social affairs and inclusion, European Commission</td>
</tr>
<tr>
<td>EU Representative</td>
<td>Marcel Haag</td>
<td>Head of Unit, Europe 2020, Competitiveness and Innovation Secretariat-General</td>
<td>European Commission</td>
</tr>
<tr>
<td>International Organization</td>
<td>Paul Swaim</td>
<td>Chief Economist, employment analysis and policies division</td>
<td>OECD</td>
</tr>
<tr>
<td>France</td>
<td>Annie Gauvin</td>
<td>Director, Studies, Evaluations and International Affairs</td>
<td>Pole Emploi</td>
</tr>
<tr>
<td>Singapore</td>
<td>Hong Kuan Wong</td>
<td>Chief Executive Officer</td>
<td>Workforce Development Agency (WDA)</td>
</tr>
<tr>
<td>Germany</td>
<td>Wolfgang Muller</td>
<td>Director European Representation</td>
<td>Bundesagentur für Arbeit, Germany</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Fred Paling</td>
<td>Member of the Board</td>
<td>UVV (Dutch Public Employment Services Agency)</td>
</tr>
<tr>
<td>Belgium</td>
<td>Anneleen Peeters</td>
<td>Deputy Chief of Cabinet, Minister P. Muyters</td>
<td>Ministry of Finance, Budget, Labor (Flanders)</td>
</tr>
<tr>
<td>Belgium</td>
<td>Pascal Guarrera</td>
<td>Director, Service Process and Innovations</td>
<td>Le Forem</td>
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<tr>
<td>Belgium</td>
<td>Paul Daneels</td>
<td>Chief Information Officer</td>
<td>Flemish Service for Employment and Vocational Training (VDAB)</td>
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<tr>
<td>Finland</td>
<td>Helena Tammi</td>
<td>Unit Director, Government Human Resource Services</td>
<td>State Treasury</td>
</tr>
<tr>
<td>Finland</td>
<td>Jussi Toppila</td>
<td>Director, Strategic Projects</td>
<td>Ministry of Employment and Economy (TEM)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Chee Lioy U</td>
<td>Deputy Director, Operations Planning</td>
<td>Workforce Development Agency Singapore</td>
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<tr>
<td>Singapore</td>
<td>Winston Toh</td>
<td>Deputy Chief Executive, Operation Group</td>
<td>Workforce Development Agency Singapore</td>
</tr>
<tr>
<td>Spain</td>
<td>Juan Luis Gimeno Chocarro</td>
<td>Advisor to the Minister</td>
<td>Ministry of Employment and Social Security</td>
</tr>
<tr>
<td>Spain</td>
<td>Joaquín Velázquez Pérez</td>
<td>Subdirector General de Emprendedores y Formación</td>
<td>Consejería de Educación y Empleo, Comunidad de Madrid</td>
</tr>
<tr>
<td>Germany</td>
<td>Anna Wittenborg</td>
<td>Project Manager Migration Department</td>
<td>German Agency for International Cooperation (GIZ)</td>
</tr>
</tbody>
</table>
European Centre for Government Transformation

Key Contacts

Jan-Erik Hunn
Global Managing Director
Accenture Human Services
jan-erik.hunn@accenture.com

Ann Mettler
Executive Director of the Lisbon Council
ann.mettler@lisboncouncil.net

Jörg Monar
Director of Political and Administrative Studies, College of Europe
jorg.monar@coleurope.eu

Research team

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Gaurav Gujral
Program Lead, Delivering Public Service for the Future
g.gujral@accenture.com

Henry Kippin

Emily Fan

Carla Kusel

Angel del Valle Loarte

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