

# The 12th WAPES WORLD CONGRESS (WWC 2021)

## PES In(novative) Action

### *Challenges and innovative actions for Public Employment Services in a rapidly evolving labour market*

Tallinn, ESTONIA

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## Conference Report

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## DAY 1 – Strategies in the governance and management of PES

### *How to strengthen organizational development and resilience?*

#### Opening addresses

The fast-paced changes in society, such as the digital transformation or the greening of the economy are having impact on labour markets for many years already. In the light of the current pandemic and security crisis, creating labour market and Public Employment Services` (PES) resilience is more crucial than ever in order to meet the immediate needs of job-seekers and employers, as well as those of the PES staff and the public in general.

***„We need to improve labour market measures based on best knowledge and open discussions“***

**(Tanel Kiik, Minister of Health and Labour, Estonia)**

PES play a vital role in facilitating change in employment and need therefore to be highly trusted by their clients: The host country of the WAPES World Congress 2021, Estonia, founded the Estonian Unemployment Insurance Fund 20 years ago assuming the role of PES in 2009. As a recognition to its work, the trustworthiness index of the public towards the Estonian PES is steadily over 70%. The social partner structure of the governance model of the Estonian PES gives it a solid authority whilst focusing on human-centred services, including the most vulnerable and most-difficult to reach groups on the labour market.

Multiple challenges are tackled by PES all over the world on a daily basis, from accessibility issues of jobs in remote areas to demographic developments that cause skills imbalances. The digital transformation as a crosscutting topic is making some jobs disappear, but more significantly, is transforming many others and creating skills needs that will have to be addressed by employment and skills development services putting a focus on transversal components and mobility of competencies. For that, many labour market stakeholders including companies, are well advised to change their recruitment culture from one that looks at occupations as the sole entry and career development determinant for jobs towards more agile competencies that can be used across jobs.

Skills will be the labour market currency of the future to secure talent and will be crucial in tackling larger global challenges like the greening of the economy requiring ongoing skills adjustments. Digital tools can help people do their work more efficiently and can free up time for more entrepreneurial endeavours, since traditional work tasks are being automated to a large scale. Those tools should be implemented into employment services too, so that they can support the transformation to the 4<sup>th</sup> Industrial Revolution.

The PES needs to avoid sliding into institutional comfort zones and continuously seek for new solutions instead, keeping the dialogue with its stakeholders to know the needs, shape the PES services towards a positive image and insert mechanisms of mutual learning for ongoing improvement. WAPES, founded in the 1980`s, is a good platform for peer exchange and holds a potential for capacity building of employment service providers in all world regions.

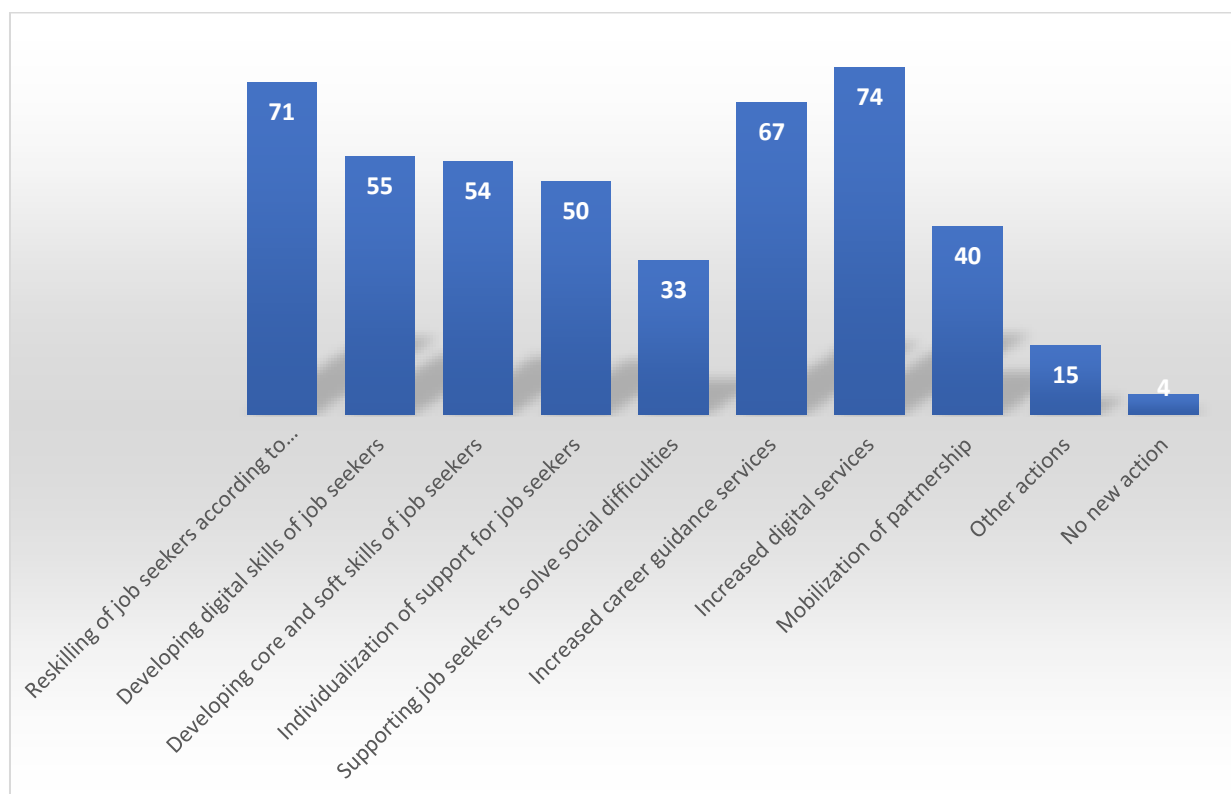
## Key Note<sup>1</sup>

Covid has had a massive impact on the world of work – from immediate job losses to a higher rate of longer-term inactivity of the labour force. The negative effects on the labour market are considered to be four times higher than those of the global financial crisis from 2008, especially in the lower-skilled sectors. In 2021, the markets recovered slightly but are heading towards a downward trend again with the Ukrainian crisis.

Apart from reskilling workers for transformed jobs, it is crucial to provide social protection for those at risk, ideally in a combination of social benefits like income support with unemployment benefits and activation programs. Technology is an additional enabler also for fast-tracking employment services in developing countries and, more generally, for better involving inactive people into the labour market.

The Covid pandemic has forced PES to make strategic changes in many of their service components, for example accelerating their own digital transformation. A number of PES increased their capacity significantly, including their digital tools, during the last two years. Other areas of change, due to crisis management, were the higher prioritization of reskilling trainings for job-seekers and increased provision of career (guidance) services. However, the dependency on Ministry budgets in many cases creates fiscal vulnerability and danger of shortages in important budgets due to shifting government political priorities.

***Number of PES increasing their services during and after pandemic (X respondents out of 95 responding PES)***



Source: ILO/WAPES PES Survey 2021

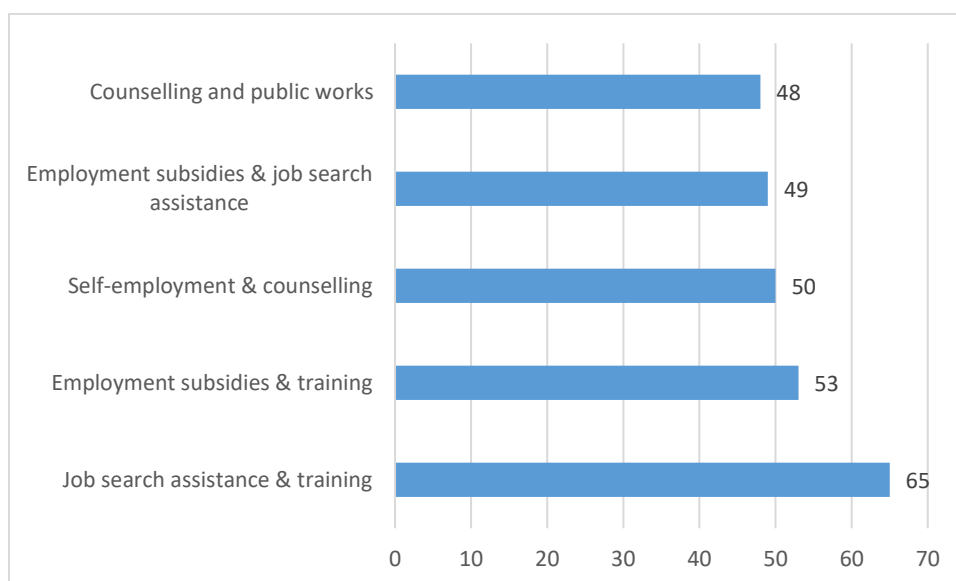
Within the employment service response to the pandemic, integrated delivery of services has shown to be the most effective due to the holistic address to multiple barriers in employability, also including labour market information with a more granular amount of data. Some PES have stepped up capacity

<sup>1</sup> Kindly find titles, content descriptions and speakers names of the conference interventions in the attached WWC program

for education and further training to improve core skills and employability skills. Also, PES staff was trained more than before the pandemic.

In a partnership context, steps towards co-designing services have been taken to involve stakeholders beyond the classical tripartite decision making to think out and improve services for clients. Social dialogue as such has also been strengthened.

***Increase in integrated services during and after the pandemic (% of responding PES that adjusted services)***



Source: ILO/WAPES PES Survey 2021

PES play a crucial role in mitigating crisis impact, for example in paying income support measures to maintain living standards and prevent households from falling into poverty. On a longer-term trend, PES are a core provider of active labour market policies that will increase the quantity and quality of available jobs. Recent efforts to integrate both, ALMP and income support, can create synergies to improve life-long navigation of work transitions.

### Panel on social partners

Social dialogue is the backbone of employment policy and employment services tasked with governing a strategic vision and the corresponding investment of state budgets. Similar to a successful growing company, PES also operate in supply chains of services and need to consider carefully how to use and enhance their capacity. Those PES that have an investment infrastructure in place and define themselves as learning organisations fared better in pandemic and other crises, because they were able to move quicker towards change and could rely on a capacity reserve. Those reserves also help create financial resilience in labour market downturns, when fees cannot be increased and affected job-seekers and employers might need help with cash transfers or tax reliefs. PES that are slower and more procedural will struggle to prevail.

PES have always been developed in some form of partnership: Already as early as post World War I where high levels of unemployment made it necessary for the government institutions to cooperate with private providers to offer the wide range of employment services needed. Social partnership as a more established high-level representation also distributed a shared sense of ownership of the societal and labour market challenges and solutions to them. The social dialogue does not only consist of dialogue, but also of decision-making as well as shaping and monitoring employment policy which also caters to the public interest of being informed about labour market and social policy, for example PES of PES Belgium-Wallonia and Estonia.

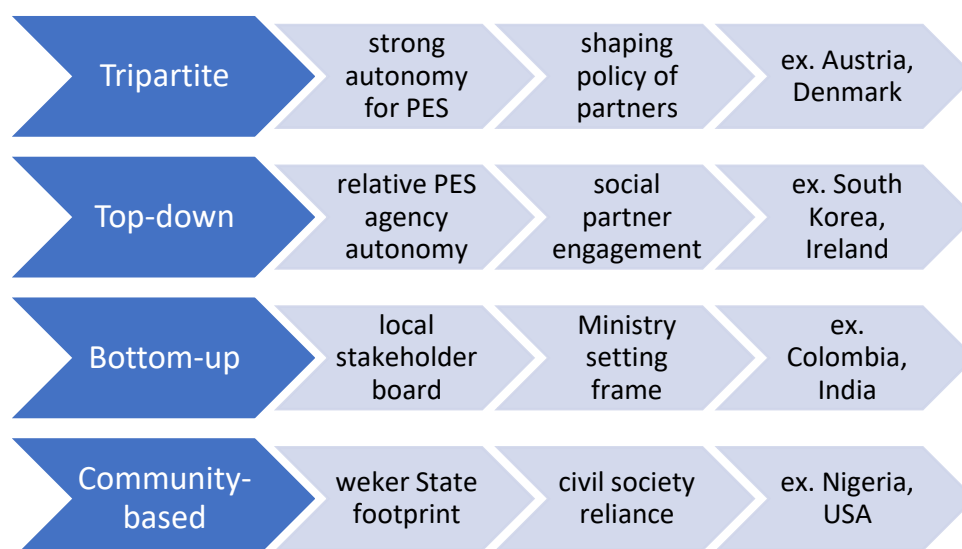
In jurisdictions where social dialogue is rather new as a governance tool, it will likely not have to start from zero but develop from the existing infrastructure of social protection and occupational health and safety. Efforts to foster tripartite communications can be embedded into the achievements of similar longer-standing stakeholder forums, for example PES in Malaysia.

In the global south, PES have a generally low coverage among their clients and stakeholders and therefore a rather limited representation in social dialogue or tripartite settings. Instead, partnerships with a wider array of stakeholders like training institutes, non-governmental organisations and self-organisations of vulnerable groups engage in employment service delivery for example by motivating employers to list their open jobs. In some regions of the global south where social economy and civil society actors have been delivering some sort of employment services for many years, they become larger contractors of public institutions to guarantee a structured service under government label. Employers might themselves organise in sectorial representations that often hold a wider number of registered vacancies than the lower trusted government institutions. Some PES in the region have started to promote open job advertising as an effective way to service vulnerable groups with underprivileged access to the labour market and therefore as one way to battle poverty. Within this rationale, PES reach out to employers in a more targeted manner with digital promotion in social networks or the offer to organise common job fairs, for instance in the local communities, where employers and job-seekers are.

In all cases of social or other kinds of employment policy partnerships, reaching consensus among the stakeholders is key to implement successful active and passive labour market policies including employment services. In the cases where PES have more autonomy, for example by being an executive agency rather than a department in a Ministry, their steer on that process will be more straightforward and their impact will be more responsive to the actual client needs. They will also be more able to shape economic development as opposed to just reacting to it.

Finally, the quality and smart analysis of labour market data plays an equally crucial role in social dialogue to build trust among stakeholders and towards the public and allow for continuous improvement of the services, indicators for economic development and relevant information for the design of future employment services.

## **PES Governance frameworks**



Source: created from ILO panel intervention

## Parallel sessions

### **PES crisis preparedness, management and recovery**

Crisis situations require organisations like PES to provide for mechanisms and capacities (human, technical and financial) for a potential rapid increase of clients. PES need to be prepared for flexibility, continuous and quick adaptation to emerging situations and establish a valid and fair cooperation with all actors in the labour market (government, trade unions, employers, etc.). Within their own labour code they are more likely to be successful if they opt for a motivating and decent work environment.

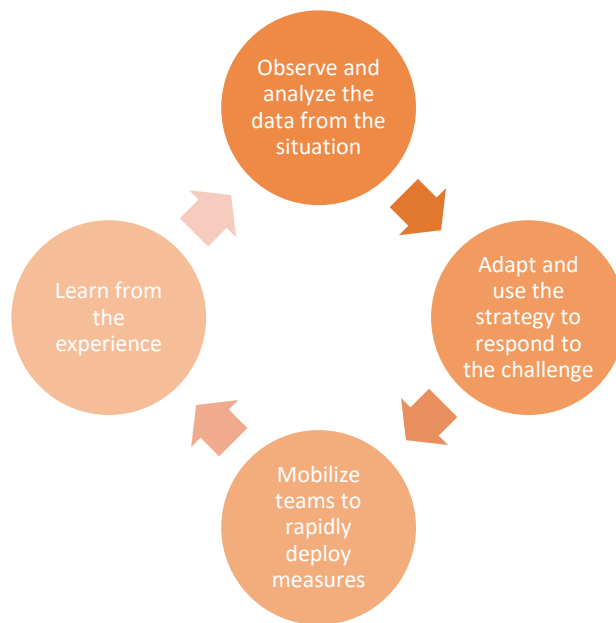
#### ***The ability of PES to adapt to crisis is influenced by...***

- agility of management and organisation of work;
- ability of employees to react to rapid changes including the sustainable training of staff ([see for example the PES of Belgium-Brussels](#));
- the volume and the way of using modern technologies in regular processes ([see for example PES in Austria](#));
- support of the government and policy makers.

#### ***For a successful continuity of service delivery and other PES activities during a crisis it is necessary to...***

- set up and keep open communication channels with PES employees and clients (job-seekers and employers) while ensuring the necessary support (staff and technical equipment);
- strike the right balance in the volume of activities and the way of work in accordance with current working and living conditions and labour market developments.

### ***Agile cycle to address the COVID-19 situation***



Source: [ANETI presentation](#)

### **PES experiences with technological innovation and the use of AI in the service delivery**

Digital services and AI offer PES the opportunity to leap forward, also to those in developing countries and make every-day PES work easier for advisors and other service staff. It is, however, crucial that advanced technologies are framed by ethical guidelines, for example through having an ethical board to oversee the use and development of digital tools. It is to be noted, that AI still suffers from low trust among many job-seekers (and job-advisors) because of data protection concerns and the diffuse fear towards new technologies.

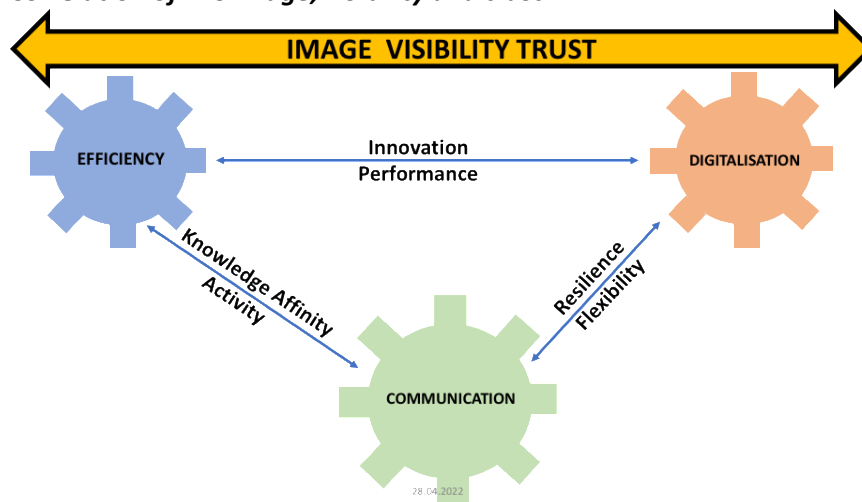
#### ***In PES, advanced technologies are already helping with...***

- freeing employment service processes of bias, while ensuring human touch to be responsive and inclusive ([see example PES Azerbaijan](#));
- creating a larger data granularity able to store longer sets in a systematic manner and get data on health, motivation and education, thus rendering a higher accuracy for recommendations ([see example PES South Korea](#));
- helping to detect suspicious behaviour in companies like CV fishing or fake job vacancies;
- opening space for data scientists and developers to experiment with AI to discover further opportunities through ideating and prototyping (see examples [PES Estonia](#) and [PES Belgium-Flanders](#));
- helping illustrate the transversability of job-seeker skills to identify and close skills gaps and improve skills awareness among job-seekers and employers.

### PES reputation, visibility and trust in society

The image of a PES is correlated with how visible it is, and which trust it evokes among the target groups. Its actions will be perceived in the context of how efficient and effective services are, how up-to-date its presentation is on the digital-human service spectrum and how well and transparent it communicates with its clients. Ultimately, public image is built on individual perception coining a collective picture of the value and performances of the institution in question. Depending on its task and the societal context, its devotion to innovation as well as resilience in crisis times will determine that image.

#### *Correlation of PES image, visibility and trust*



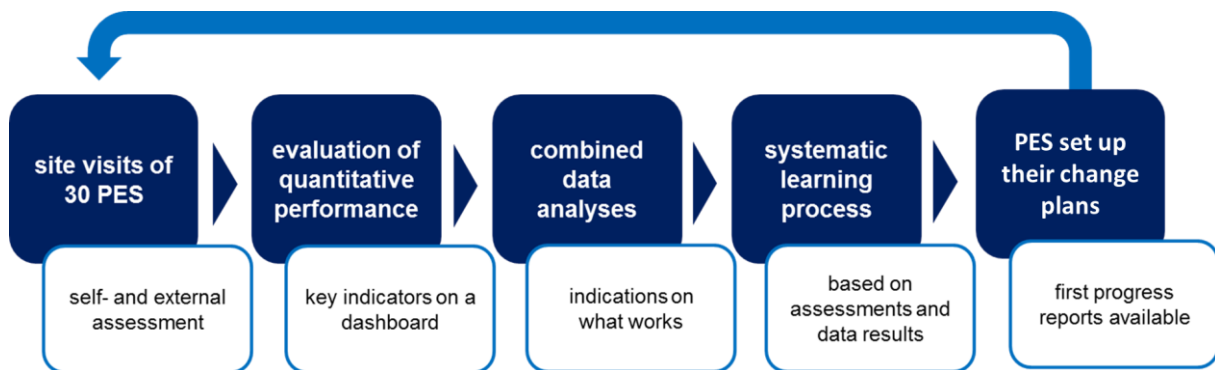
Source: Moderator plenary conclusions

### Benchmarking among PES

Comparison of practices and learning among peers between different regions or countries can be a good source for development and a living system for discussion. Benchmarking and benchlearning, however, need devoted financial and human resources to be moderated, produce results and follow-up on conclusions. At the same time, the fact that mutual learning mechanisms create insights about the strengths and weaknesses of an institution must be an accepted precondition for effective exchange and an atmosphere of mutual trust. The sense of “getting better together” also generates a united voice that can be used to represent common interests towards other stakeholders or senior departments. In practice, benchmarking and benchlearning models require to find a balance between flexibility to discuss openly and tweak topics according to needs and the requirement to be consistent enough in discussions and the choice of topics so that resources are not wasted or outcomes become obsolete. The introduction of an excellence standard, which is usual in many quality control models, can hinder a motivational and pragmatic way towards finding common solutions. The mindset of “what counts is what works” helps to adapt willingness to take recommendations from peers and try new approaches in the own institutions ([see for example PES network](#)).



## Implementation of the PES Benchlearning



Qualitative Assessment & Performance Sections (A to I) („PLAN-DO-CHECK-ACT“) followed by a report + recommendations

Source: [European PES Network Presentation](#)

Self-assessment and benchlearning can be an implementing component of a long-term strategy and mainstream a sense of continuous self-reflection to find evidence in the delivery of services and tackle new relevant topics like technology, delivery partnerships or human-centered design.

In developing countries, it can help detail the set of services that are already functioning well, even if they are delivered with limited means, and which services need to be further developed to become visible and relevant for the clients. A self-assessment methodology combined with a supported action planning and implementing can help build capacity for PES in low/middle income environments ([see SamPES project initiative as well as Japan-WAPES Joint Project](#)).

## DAY 2 – PES measures and activities for effective service provision

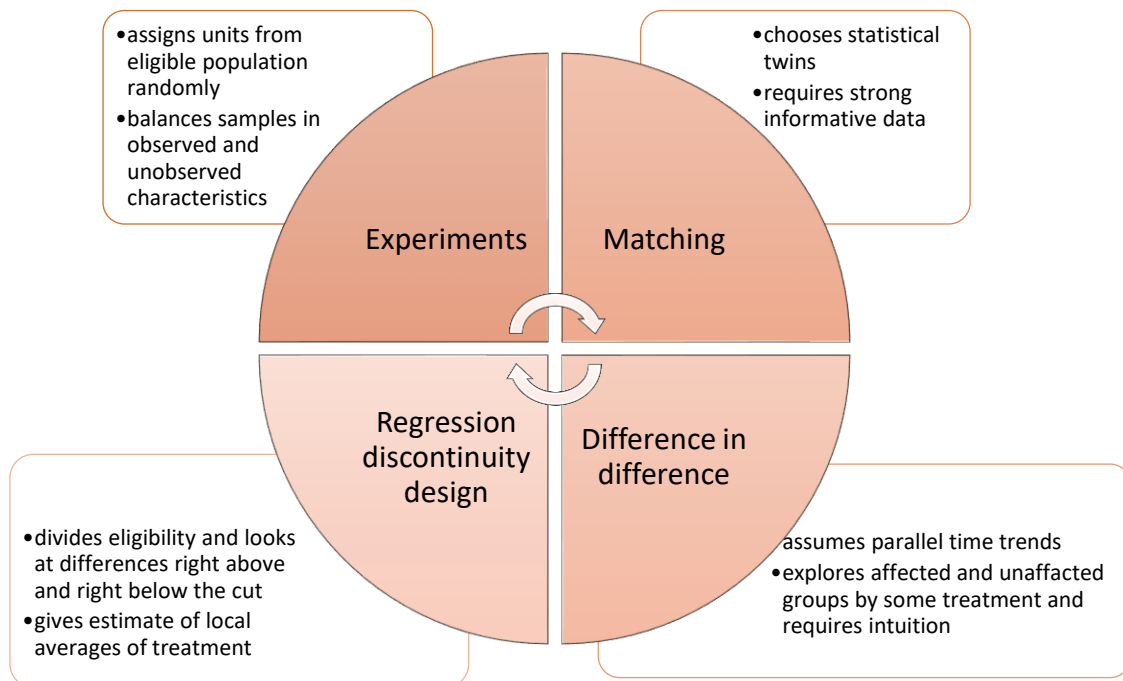
*What is in the toolbox of PES for providing effective and relevant services? How to design services that meet the needs of the customers?*

### Key-notes

In order to provide effective and relevant services to different target groups, PES look at data in general and at evidence-base in particular. Many PES already work with researchers and other data analysts to get a good understanding of how to collect and analyse data, create testing scenarios to learn about client reactions and effectiveness of programs, and mainstream data management into the day-to-day work of PES.

Different academic approaches can support smart data management, especially when collecting evidence about service and program impact. The counterfactual impact evaluation, for example, looks at “What would have happened had the affected units, for example job-seekers, not received the treatment, such as an activation program?” The challenge with this method is that the situation which does receive the treatment is observed well, while the counterfactual situation (the one not receiving the treatment) is not observed in a real situation, but constructed from supposedly comparable samples which might be selected under bias ([for examples see University of Potsdam research](#)).

### Research approaches to overcome bias



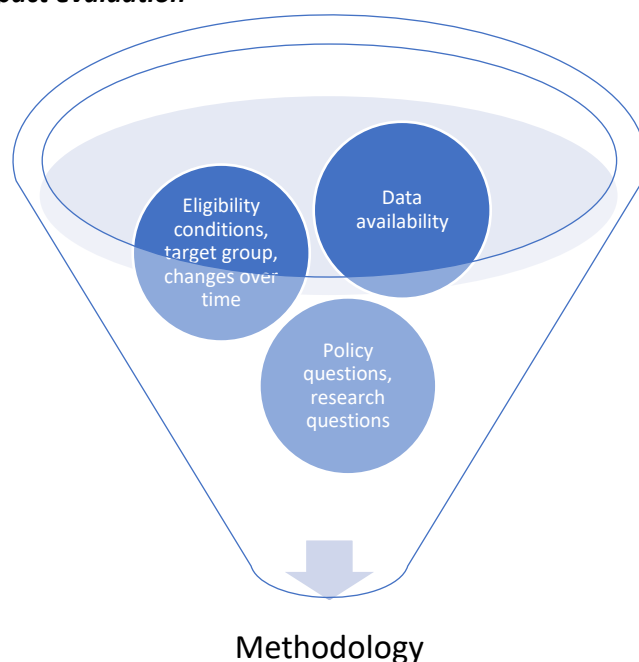
Source: [Presentation University of Potsdam](#)

The evidence base with which PES can improve their service design stems from the evaluation of programs. Therefore, successful evaluation should take into consideration to involve evaluators early in the research and program monitoring and commonly plan the evaluation method while setting up the project. The quality of data is, as usual, key to producing valuable results and the combination of different data sources, for example administrative and survey data, can help bridge information gaps.

Evaluation efforts should also look at sub-groups of activation programs such as vocational training and its mid-term effects on labour market inclusion, therefore looking beyond the immediate employability effects of being placed into a job and pinpointing a clear link between barriers to employment and activation design to address them. Other factors like the quality of jobs is important to acknowledge retainment of positions and get an overview of occupational mobility ([see for example OECD project](#)).

The evaluation of PES services looks at performance and service quality but should also take into consideration which tools and processes are used to deliver them and to which degree they benefit the client.

### ***Process for impact evaluation***



Source: [Presentation OECD](#)

### **Parallel sessions**

#### **Labour market analysis for early identification of skills shortages and skills needs**

Ideally, labour market information is a system to share and explain knowledge distributed by an expert agency (like the PES) which is respectable in the field and manages to meet the need for valid, reliable, specific, targeted and up-to-date labour market indicators. Yet, data management is complex and ought to be informed to feed the right choices, since the most up-to-date information might not always be the best choice. Forecasting, for example, is an early indicator for skills needs, but not always reliable and specific enough for supporting jobseekers and employers. In general, PES that invest in high quality indicators and work together with research institutes to also cover ratios like the tension indicator which relates vacancies to the expected inflow of job-seekers to highlight skills gaps are more competitive in the big data field and are better able to deliver on expectations of the public towards labour market data.

#### ***Quality data management can help with...***

- illustrating transversability of skills by following job mobility paths of job-seekers that put their skills to work in different occupations
- including tracer studies looking at career paths of graduates on a large scale complementing labour market information and help determine inclusion chances of certain curricula.
- supporting the skills gap analysis and training matching powered by AI as an increasing trend ([see for example PES in Morocco](#))

A golden rule to be effective in managing data is that the quality of LMI needs to be multiplied by the quality with which the data is communicated to the target groups. The strategic footing of data is also important: Some PES make labour market information a part of their mission statement ([see for example PES in Spain](#))

### **Service delivery design and impact evaluation**

PES and partners should thrive to design and evaluate their services based on the labour market requirements and the user needs. Again, the smart collection and management of data is key to obtain the necessary service design pointers.

#### ***PES are currently looking at the following aspects for their service design...***

- making an inventory of data sources and decide about their relevance and evaluate their compatibility
- structuring, organizing and rectifying the data on clients and processes, standardizing it, enriching and qualifying it
- through data and empirical observation understand the behaviours and journey of PES users/clients ([see for example PES Ivory Coast](#))
- working on a client relationship management
- trying out new channels also for more complex services like coaching or counselling ([see for example PES Germany](#))
- setting up key performance indicators and concretely measure the return on investment

### **Reaching out to vulnerable social groups in the labour market**

Supporting the most vulnerable remains a major concern of PES constantly requiring adjusted services to address multiple barriers like disabilities, health conditions or social background plus new challenges like digital gaps and pandemic distortion that hit those furthest from the labour market disproportionately hard.

#### ***PES are helping vulnerable groups in many fields, for example...***

- empowering long-term unemployed in their employability journey through sensitization training of job- advisors ([see for example PES in Slovenia](#))
- digital literacy trainings for young job-seekers ([see for example PES in Kenya](#))
- holistic spectrum of initiatives to support employment of disabled people and to fight stereotypes on the labour market ([see for example PES in Estonia](#))

## In a nutshell

- ⇒ PES need to get out of their silos and reach out to clients to gain trust and make a labour market impact
- ⇒ Many jobs will not disappear but rather transform creating skills shortages rather than unemployment
- ⇒ Health and social protection are important elements when looking at labour and employment
- ⇒ Technology is a key enabler, but should stay at the service of humans
- ⇒ Consensus-seeking social dialogue is a solid backbone of labour market policy and practice
- ⇒ PES need to aim measures beyond employability and work-first approaches to become a holistic service provider
- ⇒ Peer networks give stronger voices
- ⇒ Evaluation is part of quality service delivery
- ⇒ Good data facilitates good policy making

