

PES governance structures and the role of social partners

How can PES best work with social partners and other labour market stakeholders to deliver optimum outcomes in the new normal?

Panel discussion

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What do we mean by 'governance'?

- Most PES have an Advisory/Management Board that brings together strategic vision, business planning, service delivery and evaluation to create a framework for achieving the best labour market outcomes for end users
- For PES, this means using robust Labour Market Information to support evidence-based planning & decision-making, designing effective service delivery models, collaborating with other stakeholders as appropriate to help deliver them, effective evaluation and continuous improvement

What is the role of social partners in PES Governance?

- **ILO Convention 88** underlines the need for PES Management Boards to co-operate with employers and workers in the development of employment service policy and the organisation and operation of the employment services

There are four ‘families’ of PES governance frameworks

- **(1). ‘Classic’ Tripartite Model.** PES enjoy strong levels of **autonomy from Ministries**. Social partners have a **strong advisory role** (shaping policy) and **monitoring role** (evaluating practice and effectiveness). Austria, Denmark, Germany
- **(2). Top-Down ‘Agency’ Model.** Most common model in almost all regions with many variants. Ministries have a high level of control over labour market policy and implementation. Considerable **variation of PES autonomy and social partner engagement** South Korea, Ireland
- **(3). Bottom-Up ‘Local Stakeholder’ Model.** Ministry provides the funding and sets the overarching ‘guard rails’ for service delivery. Management Board drawn from wide range of local actors including colleges and community bodies. Colombia, USA, India,
- **(4). Local ‘Community-based’ Models.** More common where the state’s footprint is weak or where social partnership networks may not be strong, NGOs and community groups draw on a mix of funding to provide key skills and employability services. Nigeria, Uganda, USA

Why is good governance important for PES?

- **(1). Improves performance and expands coverage.** Helps PES maximise social and economic outcomes when they invest limited public funds
- **(2). Unlocks new partnerships and new opportunities.** As governments focus on growing inclusive employment and productivity rather than simply tackling unemployment this means reaching out to disadvantaged and underrepresented and groups to help them join the labour market
- **(3). Builds resilience to minimizes the risks of big labour market shocks** and address the labour market needs that result from them
- **(4). Improves reputation and fosters trust among jobseekers and employers** in an era of new 'disruptor' digital platforms (e.g. LinkedIn) and more independently-minded 'citizen consumers' demanding choice and good service