



EUROPEAN COMMISSION

DG Employment, Social Affairs and Equal Opportunities

**ANNUAL CYCLE OF CONFERENCES ON
EMPLOYMENT SERVICES AND LABOUR MOBILITY**

CONFERENCE

LABOUR MARKET INSTITUTIONS IN TIMES OF CRISIS:
CHALLENGES & EXPERIENCES

Brussels, 14 -15 May 2009

FINAL REPORT ON THE MAIN DISCUSSION POINTS

A report submitted by GHK

June 2009

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1 INTRODUCTION

This report presents the **main discussion points** from the “Labour Market Institutions in Times of Crisis: Challenges & Experiences” conference. This Conference was organised by the European Commission, “Employment Services, Mobility” Unit on the 14th & 15th of May 2009 in Brussels. Financed by the PROGRESS programme, the conference brought together around 150 participants. Representatives of the EU Public Employment Services (PES) network as well as other stakeholders – private employment agencies, social partners and international organisations – were given the opportunity to take stock of labour market challenges during the present economic downturn.

The Conference put in perspective the **impact of the economic crisis on employment and labour market institutions** as well as the **measures and good practices** implemented by employment services at European level, to counter rising unemployment, secure job transitions and enhance people's employability. The conference also provided the opportunity to address the **long-term challenges** of tackling the anticipation and matching of labour market needs with existing and new skills.

This paper provides an **overview of the main employment policy issues that are at stake** during times of crisis for European labour market institutions. These are outlined in the following sections. This paper will also reflect upon the content of the two day programme of the conference.

2 THE CONFERENCE DEBATE: TURNING EMPLOYMENT POLICY ORIENTATIONS INTO PRACTITIONERS' ACTIONS

The **programme of the “Labour Market Institutions in Times of Crisis” conference was structured in such a way that it could, on the one hand, “translate” the EU policy developments into concrete actions** for labour market institutions' practitioners and, on the other hand, take stock of the good practices implemented by the employment services in different Member States. Overall, this conference contributed to the **increasing recognition of the role of employment services in implementing and shaping EU employment policy orientations**.

The Member States' employment services are in direct contact with the European citizens and businesses. Therefore they are in a unique position to provide information on workforce/skills demand and supply, and anticipate skills requirements. Furthermore, they can monitor how the labour market is reacting to the crisis. PES in particular are in the front line in the times of crisis and have a key role in paving the way towards recovery.

To contribute to this policy cycle, the presentations delivered in the conference were structured around the following themes:

- *The impact of the economic crisis on employment and labour market institutions in Europe.* This first part of the conference took stock of the effects of the current financial and economic crisis on employment and the role of the public employment services, and other labour market stakeholders.
- *The crisis and the challenges affecting the role of the employment services.* The objective of this second session was to present the current labour market dynamic and its impact on the role and delivery capacity of labour market organisations. The session also included presentations of good practice and cooperation initiatives implemented by labour market organisations. These aimed to prevent mass dismissals, and to support vulnerable people in the economy, who have been hit by the crisis.
- The third session of the conference focused on the *challenges to be faced by labour market institutions beyond 2010*. During this session the participants of the conference looked at pathways to address longer-term challenges and to improve labour market institutions ability to anticipate and respond to labour market needs.
- Finally, the closing session of the conference *explored avenues to pave the way towards recovery from the current recession and to address the long-term challenges*. As such it explored pathways to foster cooperation among labour market institutions and to tackle the effects of the crisis in a sustainable manner. To a large extent, the presentations were anchored on the positions expressed in the European Network of Heads of Public Employment Services publication “[The contribution of Public Employment Services to flexicity](#)”¹.

Similarly, in discussions on the PES and other labour market institutions’ contribution to addressing the current and future skills needs, the conference contributed with good practice examples in the context of the European Commission (Commission) Communication COM(2008) 868 final of 16/12/2008 on “[New Skills for New Jobs: anticipating and matching labour market and skills needs](#)” (NS4NJ).

The **core discussion points and messages stemming from the conference illustrate how the actions of the labour market institutions at the Member State level liaise with the above-mentioned flexicity and NS4NJ policies**. The following two sections of this report extract the main messages from the “Labour Market Institutions in Times of Crisis” conference and structure them around the key policy directions outlined in the flexicity and NS4NJ papers.

3 MESSAGES RELATING TO FLEXICURITY

The current worldwide recession and the underlying financial crisis are not just cyclical; they also have a structural element. This means that the current recession and the following expansion phases will be longer and deeper than initially thought i.e. the **crisis has "a U shape" instead of "a V form"**. Consequently, the **measures**

¹ European Network of Heads of Public Employment Services: “The contribution of the public employment services to flexicity”. Joint Opinion adopted during the 23rd meeting of European Heads of Public Employment Services. Nice, 11th of December 2008.

undertaken by the PES in reaction to the recession will have to be tailored not only to tackle the short-term labour market needs, but also those that may be brought about by the longer recovery periods. A large number of the measures that facilitate the redeployment of workers and placement of jobseekers – the so-called “tool box” of flexicurity instruments - is rather similar and well known across all Member States:

- **Short time working** schemes to retain people in employment and provide safe job to job transitions.
- **Early interventions** and rapid response services to counter mass dismissals and help redeploying workers of large scale lay-offs.
- **Activation measures**, increasing access to employment and providing adequate income support, especially to the most vulnerable groups in crisis.
- **Training, re-training and upskilling** to maintain employability and to respond to the EU lack of qualified labour supply.
- **Job mobility**, including workers mobility between Member States and regions to help redress labour market imbalances.

PES have a **concrete position on flexicurity** and need to follow through on the commitment they made in December 2008 for the unemployed and those in the labour market (insiders and outsiders).

3.1 Encouraging cooperation and partnerships among labour market stakeholders

In relation to improving cooperation among labour market players, the conference highlighted the following further discussion points and messages:

- Examples from other parts of the world illustrate that **public-private partnerships** (PPP) are used to address the situation of limited public and private resources during the recession, exploring the synergy effects between the contributions of various actors:
 - Croatia is exploring linkages with private and non-governmental organisations (NGOs) because state support is limited.
 - In Canada, the “Industrial adjustment service” (IAS) relies on private actors and associations to provide opportunities to workers facing plant closure.
 - The example of the PES Netherlands should be examined for lessons on how to organise the cooperation of labour market actors in tackling the cases of people under threat of redundancy and providing tailored solutions to second these workers.
- In the context of insufficient or reduced State resources, PES should also examine the **assistance available from the European Social Fund** (ESF) to support their activities during the recession. This support according to the Commission is considerable. A Commission Communication on cooperation in

the labour market, under preparation at the time of the conference, would provide examples of actions supported by the ESF, namely examples on how PES are using the ESF to support short-time and other work arrangements².

- Due to demographic ageing and the crisis situation, **no single actor has the resources to deal with the situation alone**. The resources and efforts of all actors have to be drawn together. All Member States are presently confronted with similar problems in the context of the recession; they must acknowledge these difficulties and share ideas for the future. Private and public employment services in particular need to show a strong commitment to cooperate further and to benefit from mutual synergies.
- Because the downturn happened very quickly, there is the **need for an effective communication among PES** to exchange experience during the crisis.
- The crisis is also an **opportunity to forge stronger partnerships** with the social partners and give a strong impetus to move forward with PPP.
- The Commission has opened a call for projects that looks for new kinds of **partnerships promoting mobility**.

One of the primary conclusions of the discussion on partnerships and cooperation among labour market stakeholders was the idea that the **crisis has brought along a common consensus regarding the necessity of:**

1. a collective investment to tackle workers' transitions and mobility;
2. better services to job seekers
3. cooperation with other actors,
4. involvement of disadvantaged groups, including immigrants.

3.2 Supporting jobseekers and monitoring job applicants

The efforts of **supporting jobseekers and developing a better system for following up job applicants** were illustrated by the example of the French PES. The public employment service and the social benefits service were recently merged in this country in order to better meet the needs of the customers, and to simplify and guarantee better services to employers and job seekers. This merger aimed to enhance customer services and to reduce the effects of service fragmentation. Two examples retrieved from French PES:

- A further need to address training and guidance issues by working on provision of better guidance, personalised services and training to customers.

² COM (2009) 257 final of 3/06/2009 : "A Shared Commitment for Employment" and Annexes

- The need for an effective cooperation between PES and other stakeholders – NGOs and local authorities – in order to manage the economic recovery. This cooperation also needs effective structuring to tackle future needs.

3.3 Supporting transitions between jobs and geographic job mobility

The discussion in the conference underlined that there is scope to **improve geographic mobility with EURES** (EURopean Employment Services), both on regional and national levels. (Please find more on supporting mobility under the NS4NJ section below).

3.4 Developing systems for activation

In relation to PES developing **systems for activating people excluded from the labour market**, including the most vulnerable groups, the example of 1990’s crisis in Sweden was presented:

- It was noted that after the **crisis in the early 1990’s, Sweden** was able to decrease the unemployment rate more than its neighbouring country Finland, which also suffered from the crisis. But the unemployment rate did not completely return to its previous, before-crisis level. This means that structural unemployment in the country increased as a result of the 1990’s crisis. During this downturn, the PES almost became discredited because it could only provide training and matching services, but could not create jobs. In time, the PES in Sweden refocused on more general training – these efforts managed to keep people in touch with the labour market during times of recession; after the crisis, these people were found to be better positioned to take on a new job. The example illustrates the need for PES to think about the long-term measures and opportunities alongside services devised for times of crisis.
- Several OECD government officials have recently expressed **scepticism regarding the activation of people who lack a job offer**. But, as the Swedish example illustrates, such measures have a beneficial influence on the labour market in the long term. While during the early stages of 1990’s crisis, the general impression was that the Swedish labour market programmes were a failure, because they did not manage to keep people employed. The training offered by PES was adjusted to aim at achieving the broader goals of building skills and encouraging people to stay linked to the labour market. This proved to be beneficial in the long run, even if in the short term the initiative was a money-loser. After five to six years, people who received the afore-mentioned training were much better off in the labour market than people who had not received this training.

With regard to **activation of vulnerable groups**, the conference discussion also touched upon the particular situation of temporary workers, who are among the first to be hit by the crisis. For this type of worker, the principle of the first-in-first-out is a reality today. The discussion emphasised that 80% of temporary jobs are “real jobs”, and training, up-skilling and re-qualifying are all valid ways to keep these workers in jobs.

3.5 Offering services to employers

As regards PES services to employers, the following main messages were formulated through the discussion in the conference:

- **Holistic PES support to small and medium-sized enterprises (SMEs) is important** as these companies have limited resources. There is further potential to increase the cooperation between PES and SMEs at the national and regional level.
- **PES need to offer not only guidance to employees**, but also guidance to **managers and business owners**. Furthermore, PES need to inform employees and employers that such guidance is available so that it can be properly used.
- It is important to advocate **among the employers the benefits of retaining staff** in SMEs, as when the economy starts up again; it will be important for these companies to keep qualified staff, rather than spending resources on training new workers.

The conference also provided **three practical examples of initiatives that have worked with employers to retain and retrain company staff**:

1. The experience of the German PES shows that the **short-time work scheme** is a fairly expensive instrument. The Federal Government of Germany has tried to make it more flexible for companies to have more people on board when they need them once again after a crisis. The employer is eligible to apply for government support if the company cannot ensure work for more than 30% of its employees. Within the scheme, social contributions are split 50/50 between the PES and the business. If the short working time is substituted with training, the PES will also pay the other 50%. The companies can keep their workers under the scheme for 18 months. The instrument is planned to be in place until 2010. At the moment, 1.3 million people are working on reduced contracts in Germany. This means almost one and a half million less unemployed.
2. In the Netherlands over **30 Mobility Centres** have been created to assist employers in times of restructuring. This measure is based on legislation that requires employers **to train people or transfer workers** to other job opportunities in the labour market. The Mobility Centres inside PES assist employers with implementation of this regulation, also developing special measures for the employers to prevent or manage unemployment.
3. The Czech **“Educate yourself” project** is assisting employers through the **provision of training to compensate for a reduced working week**. The content of the education and training is determined by the employers, while the state pays for this training and the social security contributions of employees. Presently, there are 27,000 employees involved in this project and almost 3,000 employers. The panel discussion presenting this initiative included the testimony of the Deputy Director of External Affairs Department at *SKODA*, who outlined the benefits of this project for the participating employers.

3.6 Job retention and job rotation schemes

- **Job retention** may actually provide “double dividends” in helping the enterprises to preserve the workers and their skills for 'after the crisis'. The **danger of 'job retention' is the risk of preserving jobs too long in sectors that are not viable** (there have been examples in the past of jobs being sustained for years without the enterprises ever recovering). Therefore, **such measures should have a short-term scope**.
- **PES have to look at new and flexible forms of work organisation, including within their own organisations**. For example, there is now a scheme in the Netherlands that allows posting private employment consultants in PES mobility centres on a temporary basis during the downturn period.
- PES have to be wary with regard to the **criteria for supporting job retention schemes** in order to avoid these becoming a burden. There have been many studies throughout the year in the United States on a **short time working compensation scheme**. Evaluations show that **50% of people participating in short time work or work sharing get laid off anyway** because the employer is not able to recover or employees find other jobs. It may also delay the layoff. However, it may be used by the employer and employee as time to improve skills and to look for new jobs.
- A proposal from the International Labour Organisation (ILO) was voiced during the conference to undertake a **study on how job sharing has helped people to undergo a professional transition**, as opposed to people who have just simply been laid off. ILO also plans to organise a **seminar addressing the issue of work sharing**.
- Around 5% of long-term **unemployment is not influenced by the crisis**. This re-opens the question of **the importance of rotation schemes**, rotating the unemployed into jobs and out in combination with training and upskilling programmes.

3.7 "Tailor-made" services to facilitate transition into employment and inclusion in the labour market

The conference also featured **three case studies of initiatives aimed at supporting vulnerable people** (young people, women, older workers, migrants, disabled people, etc.) in the process of integration to the labour market:

1. Through Local employment Partnerships (LEPs) *Jobcentre Plus* (UK) offers employers a **local and demand led approach** to meet the needs. The approach consists in **assigning unemployed people from vulnerable groups** to a Jobcentre agent. By getting to know the unemployed person, the advisor can find the most suitable job for this person. When an employer puts up a vacancy, a representative of Jobcentre calls the company and offers an option of employing low skilled workers or disadvantaged people. After the employer has signed a contract with Jobcentre Plus, the Centre will undertake the selection process, providing the business with employees from disadvantaged groups. Some of the people placed by Jobcentre Plus are long-term unemployed or people that have never worked before. Most of these people require soft and social skills. When

people take part in LEPs, the Centres make them ready for work by providing the basic skills. When the employer offers a job placement to these people, they are trained with the necessary basic skills. The follow-up is ensured through a frequent contact between the employee and Jobcentre – the newly employed person attends the centre once every two weeks or work with a Jobcentre agent in discussion groups. The market share of Jobcentre Plus is currently 40%-50% in the UK. The Ministerial target is to get a quarter of a million of people in jobs with this scheme by 2010. Around 130,000 people were helped into jobs last year through these partnerships.

2. The “*Job Tonic*” initiative (Belgium) is **specifically aimed at young people**. It is being implemented in the Wallonia region which has a high unemployment rate among young people under 25. This group represents 25% of all job seekers and 50% of them do not have an academic background. Furthermore, young people are only entitled to unemployment benefits if they undergo a six month internship at the very least. After undertaking an internship, they get a nine month cushion (benefits allowance) that often encourages inactivity and makes it harder to find a job. The initiative targets young people for a nine months period, offering them learning opportunities to improve their employability. It helps young people to write their CVs, to find a traineeship opportunity, and to find, and decide upon, a future professional career. According to a project beneficiary who attended the conference: *“It’s only when you go to work and do it, you can judge the professional realities.”* The second “failure” of the Walloon “work philosophy” was the belief that young people have to be pro-active and ready for employment. The reality showed that many young people never got ready. To address this problem, the initiative provides disadvantaged young people with a maximum of short-time placements as well as one-to-one monitoring and coaching to find a job. The beneficiary confirmed the validity of this approach: *“it is hard for me to sell myself in writing. I look like a looser before even starting. If I can get to an interview, I would at least have a chance, instead of circulating my CV that may never be read.”* The crisis has made it harder to find jobs for unskilled and skilled young people. The youth are also not so keen to undertake training or work without getting paid. However, if a young person has a mentor this may help and be motivating... The adviser at the Walloon employment services can also offer alternatives – night classes, technical training programmes, etc.
3. *Resources support network – integrating disabled people in the labour market* (Portugal) is a **local neighbourhood based resource centre for qualification and integration of people with disabilities**. The resource centre has the capacity and the expertise to work with disabled people, ensures on the job training and can find job placements at the local level. People with disabilities are registered and receive an individual employment plan; the resource centre looks for a training or a job opportunity for job seekers. In times of crisis the resources of Portuguese PES are limited and it becomes more difficult to find employers willing to place people with disabilities. However, 86 job centres in cooperation with non-governmental organisations (NGOs) continue to operate **73 resource centres** which provide support to disabled people. Association CERCICA (Association for the Qualification and Integration of Disabled People from Cascais Lisbon District) is one such resource centre. This association is working with people that have learning difficulties from the age of six. It provides a number of programmes on education, training, employment and career guidance. Through training, the association provides its clients with the possibility to become familiar with different

job occupations. The centre works closely with the person, his or her family and also with employers to map the most suitable job placements. These services, combined with personal assistance and counselling across several years, represent a considerable investment in providing employment possibilities to particular vulnerable groups in Portugal. This support is thus provided through partnerships between PES and NGOs.

Other discussion points raised in the conference regarding measures and **services tailored to facilitate transition to employment and management of career processes for vulnerable groups** were the following:

- PES face the **challenge of balancing employment maintenance with the objective of integrating those furthest away from the labour market**. The quality of PES services must not deteriorate and the ESF funds can help support measures and programmes tailored for those furthest from the labour market.
- **Both aspects of maintaining jobs and targeting disadvantaged people are equally important** and need to be accounted for. There is no need to play one against the other. Both these target groups will influence the way we exit from the crisis.
- A UK government **study sustains that work is the best way for inclusion of people with disabilities** and that there is quite a substantial state support to employers offering job placements to these people. Furthermore, there are incentives so that those people who do not find work within the first 12 months of unemployment (this could include people from marginalised groups and people with special learning needs) are passed on to specific service providers that are paid for their results.
- This summer, young people will be leaving schools and more traineeship places will be needed. In the present downturn situation, businesses may well be uninterested in traineeship placements. An alternative is to **try to get younger people to stay in school for longer periods**. This is an opportunity for national governments and PES to **provide the necessary training and qualifications**.
- Some participants sustained that there were a lot of **programmes in the 70s and 80s that tried to facilitate the entry of young people** into the labour market (traineeships etc.). Later evaluations showed that these programmes had little effect.
- It is important to **enhance PPPs** in order to deal with the increasing number of young unemployed and long-term unemployed and to also see private-sector companies/agencies as players to help delivering employment.

4 MESSAGES RELATING TO NEW SKILLS FOR NEW JOBS

Since December 2008, DG Employment, Social Affairs and Equal Opportunities (DG EMPL) has been working on the **assessment of recovery measures in Member**

States. DG EMPL not only **assesses what kind of sectors will be viable in the future**, but also **what skills will be required**. An expert committee (private industry and academics) helps with the reality check of these forecasts, while labour monitoring is done with the help of PES.

To identify new skills, the ILO has produced the “Employment Trend report” and is currently working on a “**Skills identification model**”. The ILO is also looking at **skills needs to facilitate the move towards more green jobs**.

With regard to the NS4NJ agenda, the conference participants underlined the following PES challenges:

- PES need to help with the **increasingly complex job profiles** required by employers (increasing number of skills and soft skills).
- PES also have to think about providing people with interesting jobs. In the US, people will, on average, change jobs 14 times by the age of 38. There is also an **increased expectation for PES effectiveness** in finding jobs in the EU.
- When PES invest in training, they must **ensure that these measures are not contra-cyclical**. The training needs to prepare not only for the period of recession, but also for the period of growth in the future. Investment in training must be present and forward-looking. PES need to assess what jobs and skills will be needed now and in the future (anticipation), as well as how to involve vulnerable groups.
- Labour market institutions play a **crucial role in identifying these vulnerable groups** and their skill needs – this knowledge is vital for the EU, and also in one-to-one guidance services.

4.1 **New skills: the key to more and better jobs**

The discussion in the conference contributed with the following messages and **good practice examples to the NS4NJ agenda:**

- With regards to assessment of skills, the German PES developed **modern profiling systems** (covering hard and soft skills) and has come up with a **new profiling system focusing on the soft skills** needed in the future.
- Transparency and skills matching could be improved via the **use of the virtual labour market matching tools**. The online tools could also potentially increase the response time to various PES clients.
- The German PES is increasingly working with **vocational training and skills that facilitate transitions**. PES need to identify the new skills requirements and, following the example of the Netherlands, find common areas for cooperation with the private sector and other new partnerships to deliver these skills (NGOs, universities, etc.). They must also **move from conventional training to modular training** and combine existing skills with newly arising skill demands in the EU.

4.2 Upgrading skills and promoting employability

With regard to **upgrading skills** the conference brought to light two main points – the **barrier of distance in access to training** and the **necessity to assess future skills requirements**:

- The distance is a serious barrier in upgrading skills – 100 km is already too far to travel to get training.
- With regard to upgrading skills – qualifying employees and the unemployed – and helping people to develop skills for the future, PES may be required to develop personalised services and to profile the skill requirements of the future. To implement this, a pilot project by German PES is currently employing 5,000 agents working exclusively on the development of such profiles. The PES has also a pilot project to draw up regional risks and forecasts, in order to map where the regional skills lie.

4.3 Matching skills to labour market needs

The conference discussion also raised the question of "**job quality**". In times of recession, there is an increased **risk of forcing people to take up jobs that are below the minimum salary or getting people with qualifications into worse-off jobs**. This downgrades the quality of European jobs, potentially making the economic recovery slower and weaker, as well as decreasing the quality of life and competitiveness of the EU in the medium and long term. Regarding the skills needs in SMEs, DG Enterprise and Industry (DG ENTR) is already working on a **study on the skills needs in the crafts sector**. An **enterprise survey** in combination with these efforts may provide PES with the necessary information.

4.4 Improving the EU's capacity for skills assessment, anticipation and matching

Concerning ways to improve the EU's capacity for skills assessment, anticipation and matching, the conference discussion outlined the following points:

- The **Internet and online tools** currently widely used by employment services may soon become obsolete. The PES and the European Confederation of Private Employment Agencies (Eurociett) members should look for **new and common (online) platforms to assess, anticipate and match skills with jobs**.
- With regard to **anticipation** of NS4NJ, the social partner representatives invited PES to take a **more active role as a labour market observatory to anticipate** skills needs at all levels of the labour market. By undertaking employers' surveys or working in close contact with SMEs, it is possible to enhance the knowledge of the labour demand needs and expectations.
- With regard to the potential of **addressing the mismatches at EU level**, the conference discussion raised the question of knowing to what extent **foreign workers are accepted by employers from other Member States**. According to PES, this occurs, but to a very small extent (e.g. as a response to a shortage – when workforce cannot be found within the proximity of an employer). Legal obstacles can also hamper geographic mobility.

- On **surveying trends (vacancies and registered job seekers) on the EU labour market**, it was stressed that PES often focus on supranational developments rather than on the needs of the local labour markets. If PES could develop local tools and bring EU experiences and guidance down to the local level, then it would make a difference. For example in Germany, there are still parts of the country where there are jobs that are not yet filled, while other sectors have surpluses.
- Finally, the **development of a standard multilingual dictionary of occupations and skills** was discussed by the conference participants. This development is important to bridge gaps at European level between labour skills demand and labour skills supply. One of the problems stems from the way skills requirements are described in two different countries. People are usually interviewed in the country of origin and these skills have to be matched with the skills descriptions in the country where this workforce is needed. Here, the **Commission is helping to create a 'common language' (taxonomy)**. It was also noted that **communication on skills is becoming more crucial in PES** field of activity. A Commission-led project **to develop a matching tool - Match & Map** (planned for the autumn of this year) - will operate on the basis of a common taxonomy to be developed with the Member States in order to enhance job mobility opportunities across Europe.

5 KEY CONCLUSIONS AND MESSAGES

The conference “Labour Market Institutions in Times of Crisis” underlined that employment services, and PES in particular, **have a special responsibility to turn policy messages into practitioners' actions** and operational deliverables. The remit of PES is to alleviate the effects of the crisis – therefore they can no longer run business “as usual”.

The wrap up of the debate at the closing session of the conference put a spotlight on a number of effective **practices with the potential to pave the way towards recovery** and respond to the core challenges highlighted at the Employment Summit of the 7th May 2009. These practices revolve around:

- **improving the efficiency of public employment services;**
- **maintaining the levels of employment;**
- **increasing access to employment**, particularly for people at risk of exclusion from the labour market; and
- **upgrading skills, matching labour market needs** and promoting mobility.

The conference provided large evidence that labour market institutions, namely PES, **share a common understanding** on the following topics:

5.1 Employment services and resources

- PES are in the forefront of the downturn and also in the forefront of the upturn – they should **combine a short-term perspective with the longer-term perspective**.
- Job offers are still made available in the labour market. Employment services should strive to **ensure the most efficient matching between labour market needs and skills available**.
- To this end, there is a need to **enhance the quality and efficiency of PES services** – provide better services to employers and more personalised support services to unemployed people.
- PES also need to **secure resources to address present and future challenges**. Two possibilities are deemed relevant for this purpose: the **use of ESF funding** for active labour market policies and **creation of PPP** (with private employment agencies or other labour market players).
- Flexicurity and the NS4NJ initiative are relevant instruments for employment services to accomplish their mission.

5.2 Target groups

- **Active labour market programmes** and schemes should provide intensive counselling, training and job search to jobseekers and job changers (customer-oriented approach).
- Employment services, and PES in particular, play also a key role in **contributing to social inclusion**, by promoting more inclusive labour markets and **increasing access to employment for the most vulnerable people** (young people, older people, women, migrant populations, people with disabilities, etc.)
- PES should thus seek a **balance between employment maintenance and the integration of vulnerable people**, between the 'old' and the 'new' priorities. People affected or at risk of **long-term unemployment (LTU)** remain a priority now and after the crisis.
- PES need to enhance **assistance and guidance to managers and owners of SMEs**.

5.3 Cooperation with other labour market stakeholders

- There are no new partners with the crisis. However, labour market organisations feel the need to **"rediscover" other partner stakeholders** (e.g. vocational training partners, municipalities, NGOs, etc) to better address the challenges brought along with the recession.
- Flexicurity provides an effective response to present labour market challenges and private employment agencies also play a relevant role in countering unemployment and mismatches. The **private sector pleads for a more**

sustainable cooperation with the PES at Europe-wide level (team-building on the basis of complementarities and customized tailor-made solutions).

5.4 The way forward

- PES have to consider **employment from a local perspective** and also to **link the flexicurity and NS4NJ agendas to their forward-looking strategies**.
- PES need to take **strategic action towards sustainable employment**. Investments in training and up-skilling should not be counter-cycle. They should be a permanent priority notably for the most vulnerable people and contribute to making job transitions and mobility easier.
- In some Member States, PES are currently focusing on the **assessment of future skills and on-the-job training needs**. This "re-thinking" of the new labour market needs and skills requirements for tomorrow should become an intrinsic part of the PES operations all across the EU.
- The driving **force should move from occupations to 'skills'** – a portfolio of skills and people's needs – both hard skills and soft skills.
- The response to the future skills challenges could focus on the **creation of modular training schemes**, tailored in accordance with arising needs.

The discussion in the conference underlined that PES came across varied challenges in different Member States, depending on the severity of the crisis and its impact on unemployment. It also became apparent through this discussion that “business as usual” cannot be an adequate response to the present crisis by employment services.

The participants of the conference confirmed the need to assume new and reinforce existing responsibilities in providing services and effective responses aimed at countering unemployment and alleviating the negative effects of the crisis. It is also necessary to keep an **open mindset towards the change** and willingness to rethink the role of employment services as well as the cooperation and communication processes in order to address the current and the long-term labour market challenges.

ANNEXES:

1. Conference programme

2. Evaluation



EUROPEAN COMMISSION
Employment, Social Affairs and Equal Opportunities DG
Employment, Lisbon Strategy, International Affairs
Employment Services, Mobility

Conference

"LABOUR MARKET INSTITUTIONS IN TIMES OF CRISIS: CHALLENGES & EXPERIENCES"

Brussels, 14 - 15 May 2009

Bloom Hotel, rue Royale 250, B-1250 Brussels

Meeting room "Forum"

PROGRAMME

Chair of the conference: **Ms. Wallis Goelen**, Head of Unit "Employment Services, Mobility", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

Interpretation from and to EN, DE, FR, ES, IT

DAY 1

Thursday, 14th May 2009

- 08.30 **Registration and welcome coffee**
- 09.15 **Welcome speech and policy context by the European Commission**
Commissioner Vladimir SPIDLA, Member of the European Commission,
portfolio "Employment, Social Affairs and Equal Opportunities"
- 09.35 **Presentation of the conference programme for day one**

Ms Wallis GOELEN, Head of Unit "Employment Services, Mobility", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

09H40 – 12H30 SESSION I

THE IMPACT OF THE ECONOMIC CRISIS ON EMPLOYMENT AND LABOUR MARKET INSTITUTIONS IN EUROPE

Objective: *to take stock of the effects of the current unprecedented financial and economic crisis on employment and, in particular, on the role of the public employment services (PES) and other labour market stakeholders*

Chair: **Mr. Eddy COURTHEOUX**, General Director of Actiris – Brussels Capital /Belgium

09:45 – 10:15 – Speakers

- ***The institutional views on the crisis***

09:45 **Tackling the crisis: challenges for the employment services**
Ms Wallis GOELEN, Head of Unit "Employment Services, Mobility", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

10:00 **The impact of the crisis on public employment services throughout the world**
Ms Donna KOELTZ, Senior Employment Services Specialist, Skills and Employability Department, ILO - International Labour Organisation

10:15 **Plenary discussion**

10:45 – 11:15 *Coffee break*

11:15 – 12:00 – Speakers

- ***The role of other labour market stakeholders in tackling the effects of the crisis over employment***

11:15 **Cooperation PES-SME: a pathway to foster employment and business competitiveness**
Ms. Helen HOFFMANN, Adviser on Social Policy and Vocational Training, UEAPME – European Association of Craft, Small and Medium-sized Enterprises

11:40 **Labour market policies and the depression: business as usual?**

Mr Ronald JANSSEN, Advisor to ETUC - European Trade Union Confederation

12:00 **Plenary discussion**

12:30 – 14:00 *Lunch*

14H00 – 18H00 SESSION II

THE CRISIS AND THE CHALLENGES AFFECTING THE ROLE OF THE EMPLOYMENT SERVICES

Objective: *to look into the present labour market dynamics and its impact on the role and delivery capacity of labour market organisations.*

Chair: Ms Sue VELLA, Head of Employment and Training Corporation - Malta

14:00 – 15:00 – **Speakers**

- **Public Employment Services**

14:00 **PES dealing with the crisis: programmes and good practices to respond to labour market needs**

Ms Annie GAUVIN, Director of Studies, Evaluations and International Relations of Pôle Emploi, France

Two country examples with innovative PES services as a response to the crisis effects:

14:15 **The German PES: response to the crisis**

Dr Manfred SCHNITZLER, Head of the Division for Unemployment Benefits, Bundesagentur für Arbeit, Germany

14:30 **The mobility centres by the Dutch PES**

Mr Theo KEULEN, Senior Policy Advisor, UWV WERKbedrijf, Netherlands

- **Public-private partnerships**

14:45 **Public-private cooperation on the labour market: experiences, challenges and handicaps**

Mr Aart VAN DER GAAG, Director of ABU - Dutch National Federation of Private Employment Agencies, Netherlands

15:00 **Plenary discussion**

15:30 - 16:00 *Coffee break*

16:00 **Round table: Exchange of views on good practice 'country case studies' tailored to respond more effectively to the impact of crisis on employment**

Moderator: **Mme Dominique ROUSSET** journalist at Radio France, France Culture

Parallel interview and discussion

16:00-17:00

Theme A : The economic crisis and the market competitiveness enhance the risk of increasing the number of redundant workers in Europe. What initiatives and/or cooperation actions can be implemented by the PES and other labour market stakeholders to prevent mass dismissals at times when the resilience of the labour markets is put in question?

Case study 1

<p>Crisis and employment - SKODA solution Czech Republic</p>	<p>Ms Marie BILKOVA, Director General for Employment Services, Ministry of Labour and Social Affairs, Czech Republic Mr. Petr JONÁK, Deputy Director of the External Affairs Department of SKODA, Czech Republic</p>
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Case study 2

<p>Short-time working and training for agency workers in Germany – prospects and drawbacks Germany</p>	<p>Ms Eva STROBEL, Regional Director Baden-Wuerttemberg of Bundesagentur für Arbeit, Germany Dr Alexander SPERMANN, Director Public Affairs & Randstad Akademie, Germany</p>
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17:00-18:00

Parallel interview and discussion

Theme B: Field initiatives to support vulnerable people (young people, women, older workers, migrants, disabled people, etc.) to integrate the labour market or to remain active in an increasingly competitive economy hit by the crisis?

Case study 1

<p>Local Employment Partnerships (LEPs) <i>United Kingdom</i></p>	<p>Mr. Eamon DAVERN, Jobcentre Plus International Relations, UK Mr. Joshua REY, "Working Ventures UK", Director of Employer Strategy</p>
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Case study 2

<p>The "Job Tonic" initiative <i>Belgium</i></p>	<p>Ms Geneviève GALLOY, Head of Jobseekers Service of FOREM (Charleroi - French Community of Belgium) A young worker</p>
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Case study 3

<p>Resources support network – integrating disabled people in the labour market <i>Portugal</i></p>	<p>Mr António CHARANA, Assistant to the Head of the Portuguese PES (IEFP) Ms Cristina DA SILVA – CERCICA, Association for the Qualification and Integration of Disabled People from Cascais (Lisbon District)</p>
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18:00 End of day one

19:30 *Informal dinner at the Belgian Comic Strip Centre*

DAY 2

Friday, 15th May 2009

09.00 **Presentation of the conference programme for day two**

Ms Wallis Goelen, Head of Unit "Employment Services, Mobility", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

09h10 – 11h00 SESSION III

CHALLENGES TO BE FACED BY LABOUR MARKET INSTITUTIONS BEYOND 2010

Objective: *to analyse pathways to address the longer-term challenges and to help labour market institutions to better anticipate and respond to labour market needs.*

Chair: *Mr Francisco MADELINO*, President of IEFPP - Portugal

09:10 – 09:40 - **Speakers**

- ***The institutional perspective***

09:10 **The crucial issue of further anticipating labour market needs**

Mr Egbert HOLTHUIS, Deputy Head of Unit "Employment Strategy, CSR and local development", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

09:25 **Beyond the jobs crisis: the contribution of labour market policy to sustainable and inclusive growth**

Mr Paul SWAIM, Economist in the Employment Analysis and Policy Division, OECD

09:40 **Plenary discussion**

10:00 - 10:30- **Speakers**

- ***The employment services' perspective***

10:00 **Reflections of the German PES on the 'New Skills for New Jobs' initiative**

Dr Markus SCHMITZ, Head of the Department for Programme and Product Development, Bundesagentur für Arbeit, Germany

10:15 **'New Skills for New Jobs' in the perspective of the private employment agencies**

Mr Tristan d'AVEZAC DE MORAN, Vice-President of Eurociett – European Confederation of Private Employment Agencies

10:30 **Plenary discussion**

11:00 - 11:30 *Coffee break*

11:30 – 12:30 CLOSING SESSION

PANEL DISCUSSION: WRAP UP OF DEBATE

"Exploring avenues to pave the way towards recovery and preparing to address long-term challenges"

Objective: *exchange of views and lessons learned from previous presentations and discussions. Map pathways to foster cooperation among labour market institutions to: a) tackle the effects of crisis on employment in a sustainable manner and pave the way towards recovery; and b) find the most suitable working and cooperation modalities to address the longer-term labour market challenges.*

Chair and moderator: **Mr Anton ECKERSLEY**, International Relations Manager
Jobcentre Plus Head Office, United Kingdom

Panel composition:

- **Ms Annie GAUVIN**, Director of Studies, Evaluations and International Relations of Pôle Emploi, France
- **Dr Günter SCHAUENBERG**, Head of the International Relations Department of Bundesagentur für Arbeit, Germany
- **Ms Sue VELLA**, Head of Employment and Training Corporation, Malta
- **Ms Annemarie MUNTZ**, President of Eurociett - European Confederation of Private Employment Agencies
- **Mr Paul SWAIM**, Economist in the Employment Analysis and Policy Division, OECD

12.30 **Conclusion and final remarks**

Mr Xavier PRATS MONNE, Director "Employment, Lisbon Strategy, International Affairs", Directorate General "Employment, Social Affairs and Equal Opportunities", European Commission

12.50 *End of conference*

13:00 *Lunch*

Conference

"LABOUR MARKET INSTITUTIONS IN TIMES OF CRISIS: CHALLENGES & EXPERIENCES"

Brussels, 14-15th May 2009

Evaluation – Brief results

Total number of questionnaire respondents: **61**

The participants of the conference were asked to respond to the following questions by putting a tick alongside a possible answer. The choice of answers was: “Strongly agree”; “Agree”, “Neutral”, “Disagree”, and “Strongly disagree”.

The summary of their responses is as follows:

Objective/Result	
1. The objective of the conference was clear.	Almost all respondents agree or strongly agree that the conference objective was clear.
2. The conference contents were relevant to my field experience.	Almost all respondents agree or strongly agree that the conference contents were of relevance to their field of experience.
3. The objective of the conference has been achieved.	Almost all respondents agree or strongly agree that the objective of the conference was achieved.
Speakers & presentations	
4. The speakers mastered their subject well.	Almost all respondents agree or strongly agree that the speakers mastered their subject well.
5. The presentations were well-structured and clear. Their key-points appeared clearly.	Almost all respondents agree or strongly agree that the presentations were structured and clear.
6. Presentations were focused and corresponded well to what was expected from the agenda.	Almost all respondents agree or strongly agree that the presentations corresponded well to what was expected from the agenda.
7. Time allocated to the presentations was relevant.	Almost all respondents agree or strongly agree that the time allocated to presentations was relevant.
8. Overall, I was pleased with the agenda.	Almost all respondents agree or strongly agree with the statement that they were overall pleased with the agenda.

Discussions	
9. Discussions were relevant to the corresponding presentations.	Most respondents agree that the discussions were relevant to the corresponding presentations. There are several “strongly agree” and “neutral” responses.
10. There was sufficient time allocated for discussions.	Most respondents agree that there was sufficient time allocated for discussions. There are several “strongly agree” and “neutral” responses.
Dissemination	
11. The conference handouts will be very useful to disseminate information.	Most respondents agree that the conference handouts were useful. There are several “strongly agree” and “neutral” responses.
Languages	
12. I was able to follow the speakers and chairs and to take part in the discussions.	Most respondents agree that they were able to follow the speakers, chairs and take part in the discussions. There are several “strongly agree” and few “neutral” responses.
Environment	
13. I had enough opportunities for networking and informal exchange of information.	Most respondents agree that they had enough opportunities for networking and informal exchange of information.
14. I will follow-up on the contacts made at the conference.	Most respondents agree to the statement that they will follow up the contacts made at the conference. There are some “strongly agree” and few “neutral” responses.
Hotel	
15. The accommodation met my expectations.	Most respondents strongly agree to the statement that the accommodation met their expectations. There are few “agree” and few “neutral” responses.
16. The refreshments and meals were of high quality.	Most respondents strongly agree that the refreshments and meals were of high quality. There are few “agree” and few “neutral” responses.
Services	
17. The travel reservations presented by the organisers meet my expectations.	Most respondents agree or strongly that the travel reservations presented by the conference organisers met their expectations. There are few “neutral” and couple of “disagree” responses.

Respondents were also asked to answer three open ended questions. The most common and pertinent responses to these questions are provided as bullet points below.

18. Please indicate how you intend to use this conference in your work field.

- ***OECD – conference brought better understanding of ALM policies and will help in preparing OECD meeting of Labour and Employment Ministers in September 2009.***
- ***The presentations and discussions will be reported back to colleagues and heads of departments in the host institutions.***
- ***The presentations, discussions and good practices presented at the conference will serve as examples for developing and applying similar measures in participants’ countries for anticipation of the negative impacts of the current crisis on the domestic labour market. They will help in devising own policies, designing measures, guidelines and working methods as well as new proposals to Ministries on how to manage the impact of the crisis.***
- ***In particular, the conference provided ways of dealing with the employment crisis (short-term work, training, skills upgrading, and rapid measures) that PES can engage in.***
- ***The conference helped to exchange views and good practices on the long-term trends and measures as well as to emphasise their relevance.***
- ***The presentations on 'mobility centres' will be very useful for PES that plan to establish mobility centres as one of their services.***
- ***The arguments presented in the conference will help in getting the support in political cycles, receiving additional funds for ALMP.***
- ***Conference was particularly useful because it presented good practice of PES work in other Member States (e.g. ideas on how to help unemployed in developing their skills).***
- ***The contacts developed in the conference with other participants, speakers and chairs will help in developing further cooperation (including cooperation PES-private employment services, PES-private temporary agencies, etc.)***
- ***The conference provided better understanding of the ESF support.***
- ***The conference will contribute to the discussion of policy with the colleagues in EMCO.***

19. To which extent do you consider that this conference has produced deliverables and results useful to your organisation and/or to the European PES network?

- ***OECD – contributed with contacts and knowledge, specifically to understand complexities of implementing policy measures in the field.***
- ***The conference signals a huge change on the EU level of PES assuming an important and strong role in the implementation of the EU employment policies.***
- ***The conference presented very good ideas on what our short-term and long-term mission and strategy should be.***
- ***It was a good summing up of where we are now, but more elaboration is needed on how and what to do (good practices, open discussions, brainstorming).***
- ***The conference raised many questions, but did not provide many answers. Priorities are needed that means making choices. OECD contribution was very useful.***
- ***The conference presented measures for application in the home country (e.g. it was very useful to discuss good practices in helping people into employment and developing their skills).***
- ***The debate within the conference was of high quality. It presented best practices and operational problems of public and private employment services alongside the Commission’s initiatives (e.g. NS4NJ).***

- *The conference presented no completely new insights. However, the stress on the cooperation between private and public stakeholders on the labour market was important and interesting. The project of the Mobility Centres would be interesting to follow up.*
- *It was interesting to hear about tools developed in the EU to cope with the crisis. Exploring the potential of the private sector was particularly interesting and this will be the idea that we take back to our PES.*
- *We will explore in our PES how to introduce or develop some measures and tools which were presented at the conference (e.g. skills profiling, matching and anticipating labour market needs).*
- *Taking some ideas home, especially the Dutch Mobility Centres and the “job tonic” initiative. The conference also presented arguments for higher budget for activation.*
- *The conference helped to follow the working groups of the European PES network.*

Comments

20. Please feel free to comment on any of the questions/statements above or to make further recommendations. Are there any question/topic you think should have been included in the conference?

Feedback on the conference:

- *OECD – good job, stimulating and well organised conference.*
- *Interesting conference, excellent venue, interesting discussions and speakers.*
- *Conference was useful, but DG EMPL should continue to promote exchanges.*
- *Very useful to know about the labour market measures in other countries.*
- *The results of the conference are very good.*

Proposals of themes and content:

- *It would be interesting to discuss how to organise provision of individual services.*
- *Some of the examples on the 1st day were weak, 2nd day – excellent.*
- *The country specific examples are always the best presentations.*
- *Too few speakers really addressed the impact of the recession on types of ALMP. There were few thoughts from the floor discussions, but essentially this question was not addressed.*
- *The role of private companies and voluntary sector in partnering with PES to deliver ALMP.*
- *When discussion skills and employment, it would be good to involve Ministries of Education.*
- *Part of the present decline is due to structural deficits (e.g. automobile industry). How to distinguish between labour market problems due to crisis on one hand and due to structural problems on the other hand?*
- *A lot of presenters were asking “how”. It was more important to provide answers to these questions with examples like Germany, the Netherlands and the Czech Republic. Sets of measures and activities exist since decades ago. What matters is to include all the relevant partners and to find the best solutions in the context of your own country and all clients.*

- ***About ALMP – how to create new measures in time of crisis? What are the crucial things in planning new measures and how to connect national economic situation with these new measures?***
- ***Country presentations (e.g. like the German presentation on short-time work) could benefit from country context resented in advance.***
- ***Would have wanted further discussions on how PES and private agencies can tackle this crisis together side by side.***
- ***The thematic structure of the conference was perfect. However, the presentations were not always directly relevant to the issue in question and did not address it a pragmatic way. Also input from training institutions would be useful.***

Practical proposals:

- ***All presentation slides should be in English.***
- ***It would be more comfortable for the audience to have copies of presentations and speeches printed. This would help in writing comments during the live presentations and better discussion.***
- ***E-material could be a good idea for the future (presentations, speeches and final conclusions).***
- ***It would be useful to have presentation copies/slides before the conference. This could help people to prepare better.***

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