



European Economic and Social Committee

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**The new role of public employment services (PES)
in the context of the implementation of
the European Pillar of Social Rights**

OPINION

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**The new role of public employment services (PES) in the context of the implementation of the
European Pillar of Social Rights**
[own-initiative opinion]

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1. Conclusions and recommendations

- 1.1 The EESC appreciates the contribution of the European Public Employment Services Network (European PES Network) to modernising and strengthening public employment services (PES) and calls for synergy between its updated strategy going beyond 2020 and the principles of the European Pillar of Social Rights (EPSR).
- 1.2 The EESC has identified some areas where a greater effort is needed based on partnership with all stakeholders, the social partners, civil society organisations, companies and private employment services to make a concerted effort to achieve better integration of jobseekers into the labour market.
- 1.3 An innovative role for PES in implementing national employment and labour market policies and in guaranteeing more effective services for companies has to be properly supported at national level with sufficient capacity, skilled staff, IT and technical equipment relevant to the digitalisation of the society, and financial support.
- 1.4 The EESC calls for more systematic and structural cooperation between PES and other service providers in the social and employment fields to address the multiple range of barriers jobseekers face when trying to enter the labour market (health issues, housing, transport). The modernisation of PES is a complex process, and lack of coordination, programming, planning and division of responsibilities at the national and/or regional level leads to fragmentation. The active and regular participation of social partners in the PES activity is key in order to map local job opportunities and help meet mismatches in the labour market.
- 1.5 EESC calls for closer synergies between PES services and social infrastructure and benefits systems in order to provide more support for unemployed people in their job search and to avoid those seeking employment being penalised when they re-enter the labour market.
- 1.6 The EESC calls for greater financial support for the Member States and hopes that the European Social Fund Plus (ESF+), recently introduced as part of the new Multiannual Financial Framework for 2021-2027, will become a genuine EU instrument for investing in people and implementing the European Pillar of Social Rights (EPSR).
- 1.7 The EESC considers that greater efforts should be made to monitor, evaluate and benchmark PES services to assess the effectiveness of these services in assisting jobseekers entering the labour market. Common standards and guidelines at European level could help the effectiveness of PES. Existing data sources such as LFS should be utilised more, and agencies such as Eurofound can assist with such monitoring.
- 1.8 The EESC calls for a review of the existing arrangements for measuring the outcomes of PES working programmes, to ensure that services benefit all categories of people, especially those who have multiple problems.

2. Introduction

- 2.1 The European Pillar of Social Rights (EPSR) was established following an interinstitutional proclamation by the European Parliament, the Council and the Commission on 17 November 2017 in Gothenburg during the EU Social Summit. The EPSR should lead to greater focus on employment and social aspects, and help to make the European social model fit for the challenges of the 21st century and to stimulate the process of convergence between the Member States.
- 2.2 The 20 key principles of the European Pillar of Social Rights are structured under three main headings – **equal opportunities and access to the labour market, fair working conditions and social protection and inclusion**. The key issue in Europe is their actual take-up and implementation, given the rapid changes in the social, legal and economic environment.
- 2.3 According to the Annual Growth Survey 2019, Europe's economy is now entering in its sixth year of uninterrupted growth. This consistent growth has been accompanied by a recovery in investment, greater consumer demand, improved public finances and ongoing job creation, although at a different pace across countries. These developments contributed to substantial improvements in the labour markets and social conditions. The employment rate of people aged 20–64 rose to 73.2% in the second quarter 2018. The unemployment rate dropped to 6.8%, and the long-term and youth unemployment rates are also declining. However, according to the Committee, there are major disparities between the Member States, which are not all experiencing the same level of growth in the economy and employment; particular attention must be paid to improving the quality of the jobs created, not least in order to counter social inequalities.
- 2.4 On the back of improved labour market conditions, the number of people at risk of poverty or social exclusion - 113 million people in 2017 - has dropped for the first time below the pre-crisis levels in some countries. However, in-work poverty continues to be high and is rising in several Member States. The risk of poverty remains a challenge, particularly for children, people with disabilities, people with migrant backgrounds and unemployed people.
- 2.5 The Joint Employment Report (JER) notes that active labour market policies and PES are crucial to ensure properly-functioning and inclusive labour markets. Active labour market policies improve labour market matching and increase the chances of jobseekers finding a new job.

3. Public employment services and future of work

- 3.1 Labour markets and societies are evolving rapidly, with new opportunities and new challenges arising from globalisation, the digital revolution, changing work patterns and societal and demographic developments. Challenges such as persistent inequalities, long-term and youth unemployment or intergenerational solidarity are often similar in Member States, although to varying degrees. The ongoing technological revolution is characterised particularly by a faster rate of change.

- 3.2 The workforce has never been so diverse and educated. The 21st century working population is very different and individuals' attitude to work is changing. If and when workers are looking for more freedom at work and freedom of choice, seeking jobs in a way that is resulting in the individualisation of working conditions, a social dialogue and a collective agreement should clarify the conditions of work. People should be able to release their potential, by utilising their qualifications, skills and competences in full, and to obtain a quality and productive job with adequate social protection.
- 3.3 An important role is played by the **European Public Employment Services Network**, established on 17 June 2014 and to operate until 31 December 2020. An evaluation was launched in 2018 to assess the relevance, efficiency, effectiveness, coherence and EU added value of the PES Network decision. In its opinion on PES¹ the EESC endorsed the Commission's proposal to establish a European PES Network.
- 3.4 The European PES Network "Strategy 2020 and beyond" reflects the recent developments on the labour markets, including emerging platform economies, new forms of work, labour shortages, workforce mobility, a more heterogeneous PES customer base, and the need to make use of new digital technologies and harvest richer data sources.
- 3.5 Many positive steps have been already taken at national levels and in coordination with the European PES Network. National PES in some countries have done a great job in **implementing the EU Youth Guarantee** helping young people, particularly NEETs, transition faster into the labour market or back to education. National PES have also implemented measures from the EU initiative focused on **better integration of the long-term unemployed** (LTU) through better registration and integrated job contracts. In addition, labour market integration of refugees and asylum seekers has been on their agenda since 2015.
- 3.6 Nevertheless the EESC's experiences show that the effectiveness of the PES and their ability to perform in changing circumstances, to address new challenges in the world of work and to successfully integrate people into these transitional labour markets differ in the Member States. Their personal, technical and financial capacity is in many cases, and in some Member States, underestimated.
- 3.7 A special professional category of labour consultants should be more effectively promoted and proper integration of databases for effective matching of companies and workers developed. In some countries PES are complemented or replaced by private employment agencies and labour consultants. Cooperation with companies is essential, together with the active participation of social partners also at local level in order to map job opportunities at national and territorial level. The success rate of the PES services should also be measured from the employers' perspective.

¹ [OJ C 67, 06.03.2014, p. 116](#)

4. **Public employment services in the light of the European Pillar of Social Rights**

- 4.1 Since the proclamation of the EPSR, the national PES and EU PES Network should be more innovative in supporting the purpose of the EPSR and implementing its key principles.
- 4.2 In 2017, the European PES Network made a formal contribution to the EC's consultation on the EPSR. In 2018 it drafted its paper on Future work. This activity presented an opportunity for the Network to consider how the PES 2020 Strategy might be adapted to ensure it remains fit for purpose as PES seek to meet the new challenges of a rapidly changing labour market and to become genuine career guidance agencies. PES are working on modernising their organisation with a view to achieving "Triple A" rating services – ability, agility, accountability – for customers, helping to create a more sustainable and inclusive labour market.

5. **The new role of the PES from the EESC's perspective**

- 5.1 The EESC welcomes the priorities set in the **EU PES Network Work programme for 2019** and **calls for greater interaction between the principles of the EPSR and the Network tools of benchmarking and mutual learning**. It can contribute both to better integrated PES services and implementation of the EPSR.
- 5.2 In November 2018, the EESC Labour Market Observatory (LMO) organised a **conference on Public employment services in the context of the implementation of the European Pillar of Social Rights**. The examples given confirmed the need for complementarity between public and private employment services and showcased the concrete benefits of good cooperation between PES and social partners. PES proactivity, the creation of a one-stop-shop for firms, joint training courses by PES and companies were together revealed to be key for providing people with sustainable jobs.
- 5.2.1 The EESC encourages the pursuit of a better response to job supply and demand, more incentives for both employers and workers (e.g. allowing low-wage workers to keep some unemployment-related social benefits) and a fair balance between employment flexibility and job security leading to more stable contracts. Europe is still far from utilising the full potential of the available workforce. Europe should support sustainable companies, in particular enabling them to create more quality and productive jobs.
- 5.2.2 The EESC, in its opinion² points out that access to social protection systems is a key factor for fairer societies and fundamental to a productive, healthy and active workforce. The EU should improve the way the existing Open Method of Coordination is supporting Member States **to benchmark progress to reform and improve the performance of their employment policies and national social protection and welfare systems**. Closer synergies between PES services and social infrastructure and benefits systems should be ensured in order to provide more support for unemployed people in their job search and avoid those seeking employment being penalised when they re-enter the labour market.

² [OJ C 440, 6.12.2018, p. 135](#).

- 5.2.3 **Mobility:** for the EESC, the free movement of workers on a basis of non-discrimination and equal treatment and the removal of remaining barriers to mobility remains one of the EU's priorities. In its **opinion on EURES**³ the EESC calls for a real instrument for matching supply and demand in the European labour market **in close cooperation with national public employment services**. EU-wide mobility of workers is connected with the ongoing effort to modernise the social security coordination system, and make it fairer for all Member States. Particularly in the case of unemployment benefits for cross-border workers, the *lex loci laboris* principle for determining the competent Member State should be applied, unless otherwise agreed between Member States.
- 5.2.4 **Skills geared to the labour market:** the social dimension of education as stated in **the first principle of the EPSR** states that everyone has the right to quality and inclusive education, training and **lifelong learning**. Moreover, the increasing labour market shortages across Europe are putting future growth at risk. Closer cooperation between **PES and social partners, companies, regional, Job and Skills Councils and other relevant regional structures should be enhanced to overcome regional disparities and offer adequate professional guidance, opportunities for upskilling and reskilling and professional transformation for jobseekers and people at risk of loss of work, with shared responsibilities among the different actors. This should include activation of self-employed people.**
- 5.2.5 **Cooperation with social partners:** when devising EU social policy, more space needs to be given to social partners, with full respect for their autonomy. In their role of key labour market actors they can, in cooperation with national PES, contribute significantly to map job opportunities also at local level, facilitating the transitions of people into or on the labour market – to support jobseekers during their search and help companies with human resources search processes, to help young people and adults choose the most appropriate upskilling pathways (ADEM in Luxembourg).
- 5.2.6 **Civil society:** the EESC is representing a variety of the civil society organisations delivering many opinions already addressing some of the principles covered by the EPSR. The added value of the CSOs is that they are close to the situation on the ground and familiar with the needs of different groups – migrants, people with disabilities, young people, women's rights – and can effectively contribute to more targeted PES work (this could include for example the role of labour consultants in Italy).
- 5.2.7 **Cooperation with the private employment services:** experience shows that equal involvement and integration of public and private services can have effective, beneficial results in terms of a truly inclusive and sustainable labour market. This complementarity has to be supported. Labour market forecasts/predictions are always very difficult. Labour market needs change very rapidly. Reliable data are essential. However, the inclusive labour markets we are calling for require all people to be included.

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[OJ C 424, 26.11.2014, p. 27.](#)

6. Persisting gaps in targeted PES assistance

6.1 The EESC appreciates that the main target groups are covered in both European PES networks' and national PES' working programmes. Nevertheless, it stresses that there are still gaps and PES have **to mainstream the principle of diversity and non-discrimination more** into their day-to-day work. The effort has to be continued or increased, particularly with respect to:

6.1.1 **Young people:** The EESC welcomes the fact that financial support for implementing the Youth Guarantee has doubled. PES should invest in a long-term approach to providing services to young jobseekers, including better use of ICT and web tools in order to strengthen the services for the most vulnerable groups of young people, **PES should enhance individual assistance to young people, cooperate with their families and inform them fairly about the labour market situation.**

6.1.2 **Adults:** the ageing population in Europe, **increased longevity in society and the need to foster intergenerational cooperation**, the accelerating changes in the labour market, emerging forms of work and the penetration of digital technologies into all aspects of daily life have resulted in a growing demand for new skills and a higher level of skills, **knowledge and competences**; this gives added urgency to the need to upskill or reskill all people who have not mastered basic skills or have not gained a qualification to ensure their employability **and active citizenship.**

6.1.3 **Women:** the EESC welcomes the directive on work-life balance (WLB)⁴, helping parents and carers, and particularly women to better organise their work and daily duties. To this should be added the necessary investment in social infrastructure, such as care facilities for children and the elderly. This also includes effective assistance from national PES to integrate women into the labour market with due regard for the WLB approach.

6.1.4 **People with disabilities:** people with disabilities represent around one-sixth of the EU's overall working-age population, but their employment rate is comparatively low. This was the main message of the EESC hearing organised in 2017. In particular, women and girls with disabilities⁵ continue to face multiple and intersectional discrimination based on both their gender and their disability. They are too often excluded, among other things, from inclusive education and training, employment, access to poverty reduction schemes, adequate housing and participation in political and public life. They need special assistance and an individual approach from PES.

6.1.5 **Migration: legal migration can play an important role in labour markets performing well.** The EESC stressed in its opinion⁶ the importance of a coherent migration policy and well-designed regulatory framework, stating that without migration the Europe's economic and social model is in danger. Integrating refugees with the right to stay in Europe into training,

⁴ [OJ C 129, 11.4.2018, p. 44.](#)

⁵ [OJ C 367, 10.10.2018, p. 20.](#)

⁶ [OJ C 110, 22.3.2019, p. 1.](#)

employment and society in general will continue to be important. **PES in many countries have already taken a large number of initiatives to contribute to this.**

6.1.6 **Roma minority:** the EESC is very active on issues connected with the living and working conditions of the Roma community, focusing on better integration of Roma people⁷. The EESC can see a synergy between the implementation of the *equal access principle* of the EPSR and further steps in more successful Roma integration. Assistance to Roma women in particular should be a priority for PES.

6.1.7 **The inactive population** is not a traditional target group for PES, although a significant share of the inactive population wants to work. The European PES Network published a study on *The role of PES in outreach to the inactive population*, which provides an overview of outreach measures for the inactive with particular reference to the role of PES. The EESC calls on the Commission and the Member States to redesign the reactivation policies aimed at this section of the population.

7. **A complex support for national public employment services**

7.1 The European employment guidelines 2019 (Guideline 7) encourage the Member States to increase the effectiveness of their active labour market policies. Member States should aim for more effective public employment services by ensuring timely and tailor-made assistance to support jobseekers, supporting labour market demand and implementing performance-based management.

7.2 To contribute effectively to the implementation of the EPSR, national PES will need stronger support and proper conditions:

7.2.1 **Sufficient human resources.** The complex services of the PES (search and selection of personnel outplacement, advice and assistance in requests for income support, training placements) require trained staff with special skills working in sustainable conditions and cooperating with labour consultants and private labour agencies.

7.2.2 **To address technological evolution.** Digitalisation of the economy and society brings new tools, which if properly managed can help PES in their role, including training PES' own employees, as well as real integration of databases for effective matching of companies and workers, both involved in turn in the evolution of skills and tasks arising from the new digital era.

7.3 On 2 May 2018, the Commission adopted a proposal for the Multiannual Financial Framework for 2021-2027. The proposal reflects the current social and economic context and provides a tangible response to the call from the European public for a more social Europe and for more investment in people in the EU. The European Social Fund Plus (ESF+) is a key EU instrument for investing in people and implementing the EPSR. PES will be funded through the Employment and Social Innovation (EaSI) strand of the European Social Fund Plus (ESF+).

⁷ [C 27/88 03/02/2009.](#)

- 7.4 PES' new responsibilities, particularly in the area of active employment policies, must be reflected in appropriate capacity and financial support.
- 7.5 The EESC calls for more systematic and structural cooperation between PES and other service providers in the social and employment fields to address the multiple range of barriers jobseekers face when trying to enter the labour market (health issues, housing, transport). The modernisation of PES is a complex process, and lack of coordination, programming, planning and division of responsibilities at the national and/or regional level leads to fragmentation.
- 7.6 The EESC considers that greater efforts should be made to monitor, evaluate and benchmark PES services to assess the effectiveness of their services in assisting jobseekers entering the labour market. Common standards and guidelines at European level could improve the effectiveness of PES and synergies among countries. Existing data source such as LFS should be utilised more, and agencies such as Eurofound can assist with such monitoring.

Brussels, 17 July 2019

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