**SUMMARY**

**16TH CPESSEC Managerial and 15th CPESSEC Experts’ Conferences**

**8-9 November 2017, Budapest**

**1st Day of the Conference**

The first day of the CPESSEC conference contained numerous presentations by invited speakers as well as the representatives of the member states. After the opening speech by Mr Attila István Simon, deputy-state secretary of the Hungarian National Ministry of Economic Affairs, the representative of the ILO, Ms. Daniela Zampini gave a presentation on *‘Vulnerable employment, underemployment and skills development’*. In her speech she emphasised that – despite the decreasing resources of the PES – it is important to move beyond the unemployment register or the statistically visible unemployment identified by the Labour Force Survey and reach out to other non-traditional groups such as the inactive, informally employed, underemployed, migrants. The demographic pressure in most countries demands or will soon demand that specific services or specific guarantees would be provided to these groups. Unemployment figures are no longer the only indicators of labour market health and the quality of jobs should now receive as much attention as the quantity of jobs. Labour underutilisation such as time-related underemployment or neglect of potential labour force willing but unable to find matching jobs has become a significant concern. Even though a decrease in unemployment figures may be warmly welcome, the underlying factors should always be taken into consideration. A drop due to people disappearing from the labour force because of insufficient wages or diminished benefits is naturally not a positive tendency. Another key message of the ILO presentation was that the future of work is undergoing significant and rapid changes. Technological development will soon lead to a complete rearrangement of the labour market and skill development would have to follow suit.

The representative of the World Bank, Mr. Sándor Karácsony presented the ‘*Portraits of Labor Market Exclusion in Bulgaria, Croatia, Hungary and Romania’.* The project undertaken by the World Bank aimed at supporting the task of better tailoring activation and employment support policies to individual needs. Portraits of Labor Market Exclusion project separates the out of work and marginally employed population into distinct groups according to the employment barriers they face. A significant share of the working age population has diverse labour market difficulties. Forty percent even face three or more barriers. Targeting major groups such as youth, 50+, women or people living with disabilities homogenously seriously limits effectiveness. A young person with just low qualifications needs a different supporting measure than a young person with low qualifications, minor health problems and an elderly father to look after. Incidence of barriers largely depend on the context and differ significantly from country to country, but low skills/education and low relative work experience is most prevalent, while generous earnings replacements are least influential. These findings underpin the need for targeting and tailoring design of Activation and Employment Support Programs; improving outreach, employment promotion, and individualized services; integrating services to address diverse barriers; and putting in place rigorous monitoring and evaluation systems.

Mr. László Moravcsik, the representative of the Hungarian Charity Service of the Order of Malta introduced the *“To be present”* programme. The programme aims at supporting those living in deep poverty – mainly the Roma minority – by being continuously present with intensive social work in their communities. Further elements of the programme are always implemented based on the specific needs arisen in the community. The programme is also active in trying to find employment to long-term unemployed. The presentation highlighted the need for cooperation of PES with local NGOs to reach those that are the hardest to reintegrate into the labour market.

Mr Bors Tibor Borbély-Pecze provided a summary of LTU situation of the CPESSEC region based on the inputs sent by the member countries.

The unemployment situation is also diverse among the countries. There are consolidated unemployment rates in some countries (e.g. HU, RO, BL, TR, SI, RO) while others are still facing with mass unemployment (e.g. MK, BiH). The long-term unemployed are usually among the most vulnerable, but in administrative sense, still visible (economically active) job-seekers. Reintegration of the long-term unemployed to the labour markets is a continuous effort of all public administration and has become one of the burning issues since the 2008 global crisis in many countries. The European Commission developed a new recommendation[[1]](#footnote-1) for LTU integration in 2016. Often, at the case management level these barriers are combined and might create a situation where the PES caseworker is pretty much powerless to influence the situation. Well-established profiling system and customer segmentation of the PES, individual action planning as the next step, could overcome some of these barriers.

A short survey was sent out by the Hungarian Presidency of the CPESSEC before the event. All countries provided answers.

1. The overall description had three parts;
* I. a) overall economic, social and labour market situation in the country
* I. b) LTU management within the PES
* I. c) systematic cooperation between the PES and other service providers

(see the attached Synthesis Paper for more details)

After the summary each member state presented their particular situation with regard to strategic performance management in the PES; design of operational processes such as effective channelling and profiling of jobseekers and tailored use of active labour market instruments; sustainable activation and management of transitions; relations to employers; evidence-based design and implementation of PES services; effective management of partnerships with stakeholders; allocation of PES resources (both human and financial).

**2nd Day of the Conference**

The second day of the CPESSEC conference provided opportunities to share thoughts in more details within the framework of two workshops: the Managers’ Club and the Expert Level Meeting.

The Managers’ Club was a newly introduced concept in the series of CPESSEC conferences. The rationale behind its formation was to enable the top managers of member country PES to get to know each other better and share their ideas under slightly more informal circumstances. After a round of introductions, the managers shared their main concerns at present and also something that just recently made them proud in their organisations. This revealed some common grounds and some best-practices. The discussion revealed that with a few exceptions most countries’ PES struggle hiring, keeping and motivating staff within the public sector. At the same time outsourcing also proves difficult due to the requirements of handling sensitive data or since good providers are few and far between. Also on the organisational level it is hard to maintain a good image of the PES in order to attract and gain the trust of employers and jobseekers. As best practice, the Serbian PES decided to be visible to citizens by setting up shop in pedestrian zones on the street or in music festivals. With regard to the social and economic environment, most PES in the region currently face the problems of regional disparities, the outflow of people from the country and low mobility. The skill mismatch of the potential workforce and the skills demanded proves difficult to overcome as the currently available workforce faces multiple barriers and even after training remains difficult to place. The hyperproduction of university graduates and the lack of skilled labour is also part of the problem. As best practice, Romania offers its citizens up to 3000 Euros for relocation. Bulgaria introduced a voucher based training system that seems to live up to its expectations. As of long-term strategic concerns, the impact of the Industrial Revolution 4.0 came up in the discussion as a challenge that all PES needs to prepare itself for. This could also become the topic of the next CPESSEC conference.

The Managers’ Club also discussed the future of CPESSEC. Most agreed that the function of CPESSEC is threefold. Firstly, it serves as an occasion for people to get to know each other that can also result in bilateral cooperation. Secondly, it is a good opportunity to share thoughts, exchange ideas, look at best practices. Thirdly, it could serve as a forum to look into strategic challenges ahead of PES. It was emphasised that membership in CPESSEC is voluntary, so members can benefit from its operations as long as they put effort into it. During the discussions, the following ideas for improvements occurred for the next presidency to contemplate:

* Focus on common topics. In order to be able to do that a “matching questionnaire” could be sent out to members to see what topics, tools, measures concern all.
* Keep up work tension throughout the year, not just around the time of the conference.
* As funding is still a challenge, common projects could be identified and proposed.
* A team-building and preparatory session could be organised in better weather than November when the conference usually takes place. This more informal session could prepare the topics for the conference.
* Keep video conferencing on certain topics open as an option.
* The presentation format of the first day should remain but the presentations should focus on common topics. The slides could be put on the website a month before the meeting so that everyone can study them in advance.
* Workshops can run parallel even on two different topics.
* Experts from outside the PES could be invited to the conference to contribute on certain topics.

As the last programme point of the Managers’ Club, the member states voted on the proposals of the Hungarian presidency. Proposal 1 on country PES introductory page was endorsed unanimously. Proposal 2 on regular assistant level meeting was endorsed unanimously. Proposal 3 on meeting in 2018 on data gathering and statistical bulletin issues was endorsed unanimously. Proposal 4 on the optimisation of the year and of the conference event was endorsed unanimously.

The Expert Level Meeting provided the following key conclusions which have then taken the shape of a communique agreed upon by the member countries.

**#1** **Widening the access** **to the labour market services of the PESs** means i) the *further development of outreach capacities* but ii) also *the professional skills development of PES case workers*. For example in Serbia the PES is currently purchasing 4x4 cars to reach out to remote areas of the country. In Bulgaria, Croatia, Slovenia PES staff has been receiving special training for LTU case management.

**#2** Focusing only to the registered unemployed/ job-seekers is far from being a sufficient policy as labour markets offer currently a great number of vacancies. That is, **new customer groups** **need to be explored** (currently might be economically inactive and not in the radar of the PES) and registered by the PES.

**#3** The individual characteristics of LTU persons are much more complex than what the currently used profiling system of the PES could reflect on. There are several registered cases where the outcome of PES profiling system leads to the same customer group, offering the same treatment and customer’s journey of the client, however, the needs are different. E.g. an educated lone mother in a capital city with family support might get the same profiling score as a lone mother in a rural area without any family support. Therefore **fine-tuning of the national profiling systems** is a must.

**#4** PES officers’ competencies are often not enough to deal with multiple barrier cases. **The professional competencies of the PES staff need to be reviewed** in respect of the workflow – in the light of the personalized service offer – within PES which translates into the customer’s journey.

**#5** Local partners, municipalities, NGOs are active in micro regions where PES often has not sufficient capacity. They gain better knowledge about the local communities and their needs towards the labour market but these **social inclusion services could (and should) not operate in silos**, **isolated from PES** and national employment polices as the utilization of ALMPs and LM services are dependent on PES.

At the end of the 2nd day, after a short summary of the two workshops, the closing ceremony took place where Serbia took over the presidency from Hungary.

1. COUNCIL RECOMMENDATION of 15 February 2016 on the integration of the long-term unemployed into the labour market

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016H0220(01)&from=EN> [↑](#footnote-ref-1)