

ANNEX IX

Resources of and sanctions by PES

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INTRODUCTION

The comparison of human and budgetary resources was part of the initial expectations of the mission. In view of the considerable resources mobilized during four months by the IGF's 2010 mission to compare the human resources of the French, German, and British PES, it seemed unrealistic to do this work again for five countries in addition to the objective of comparing five themes relating to organization and professions.)

In the course of its investigations, however, the mission gathered documents relating to the staffing and budget of the PES studied. The purpose of this annex is to present and exploit them.

The mission encountered two main difficulties in analyzing and comparing PES staffing and budgets:

- ◆ **the scope and level of outsourcing of PES vary greatly from one country to another.** It is therefore very difficult to define comparable aggregates. For example, the main PES operators in the countries studied have very different missions from one country to another and very different levels of recourse to private service providers (see Table 1). For example, the Danish *Jobcenters*, a one-stop shop for jobseeker support that makes very little use of private service providers, account for the vast majority of FTEs in charge of jobseeker support in the Danish PES. On the contrary, Pôle Emploi accounts for only a limited part of the FTEs in charge of jobseeker support in the French PES, with many other FTEs being employed by the departments, local missions, CCAS, APEC, or by private service providers, to which these different actors make extensive use;
- ◆ **Data are rarely available and, when they are, of limited reliability.** When documents are available, the financial and HR headings differ widely from one country to another, making it impossible to carry out most of the documentary cross-analyses. For example, in the case of the budgets of the main operators, the number of budgetary posts specified to the mission ranges from four to 53 depending on the case, and information on full-time equivalents from four lines to 33 pages¹. If the mission is able to map all the missions of the different main operators (cf. table 1), **the comparability of validated data is difficult.**

In light of these methodological difficulties, this annex presents the mission's analyses.

¹ All the sources used, as well as their degree of reliability, are listed in this appendix.

1. Analysis of the workforce of the different PES : countries and regions with low unemployment rates are characterized by an intense presence of PES staff on their territory

Table 1 Summary of FTEs by country and type of position selected by the mission (latest consolidated figures available)

Country	ALL	CAT	DK	FL	EN	SUE
FTE Main operator	95 484	1 799	12 000	4 500	52 484	11 000
Reliability of the main FTE costing (out of 5)	5	5	4	5	5	4
Other FTEs in charge of the PES (excluding the main operator and private placement operator)	25 511	1 086	360	5 062	19 838	N.D.
Reliability of other FTEs (out of 5)	3	2	2	2	3	N.A.
Total FTEs PES	123 107	2 885	12 360	9 562	73 822	Min 11 000
Working population (15-64)	41 674 000	3 772 000	2 938 000	3 388 000	29 620 000	5 334 000
Ratio of active population to total FTEs	339	1 307	238	354	401	Max 503
Number of registrants to the main operator	3 621 000 ²	369 158 ³	N.D.	182 255 ⁴	5 153 000 ⁵	N.D.
FTE Main operator / registered	38	205	N.A.	40	98	N.D.
Average advisor's portfolio	115 ⁶	500 ⁷	N.D.	100 ⁸	350-400 ⁹	N.D.
Reliability of the costing (out of 5)	5	3	N.A.	3	4	N.A.
Reliability of the costing (out of 5)	5	N.A.	N.A.	2	5	N.A.

Source: BA response to the mission; mission visit to Kortrijk on 20 December 2020; mission to audit the tripartite agreement between the state, Unédic and Pôle Emploi; Eurostat; Idescat; Statbel; mission.

² BA press release and statistical compendium. The recurrent users of the *Bundesagentur's* services were taken into account, i.e., persons receiving unemployment insurance and the number of "communities of need", i.e., communities of need (one application per community) receiving the social minimum, which may include persons not counted as jobseekers in the sense of the ILO and/or the ED. Individuals dealing with the BA for partial unemployment are not included, as significant variations in beneficiaries over time in recent years have not affected staff levels.

<https://www.arbeitsagentur.de/news/arbeitsmarkt> and

<https://statistik.arbeitsagentur.de/DE/Navigation/Statistiken/Fachstatistiken/Grundsicherung-fuer-Arbeitsuchende-SGBII/Grundsicherung-fuer-Arbeitsuchende-SGBII-Nav.html>

³ SOC Annual Report 2021 - https://serveiocupacio.gencat.cat/web/.content/01_SOC/01_QUI-som-i-que-fem/Informe_Anuar_SOC_2021.pdf

⁴ Belgian press - <https://www.7sur7.be/monde/le-chomage-en-flandre-augmente-pour-la-premiere-fois-depuis-plus-d-un-an-et-demi~a36c7a15/>

⁵ Pôle Emploi statistics (categories A, B, C) - <https://statistiques.pole-emploi.org/stmt/publication>

⁶ Written response to the mission by BA, November 2022.

⁷ Visit to Catalonia, November 2022.

⁸ Visit to Kortrijk, December 2022.

⁹ Audit mission of the tripartite agreement between the State, Pôle Emploi and Unédic, December 2022.

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Note 1: List of main operators by country: Bundesagentur für Arbeit for Germany, SOC for Catalonia, Jobcenters for Denmark, VDAB for Flanders, Pôle Emploi for France, Arbetsförmedlingen for Sweden.

Note 2: The specific German public concerns those under 25 years old eligible for the social minimum, the specific Belgian public corresponds to the "intensive" sector of the Kortrijk agency, the specific French public corresponds to the global accompaniment.

1.1. Methodology used by the mission: a quantification of FTEs employed by the main actors of the national or regional PES

The mission sought to count the number of FTEs working in the public PES operators studied. This includes operators in charge of active policies (placement, coaching, training, placement in subsidized jobs) and passive policies (in charge of compensation), and operators carrying out both types of mission. The staffing levels of the main operators were generally available. The mission had more difficulty estimating the number of FTEs of other PES actors (e.g., the autonomous intermunicipal level in Germany, as there is no document consolidating their staffing levels dedicated to the PES). **FTEs were not taken into account:**

- ♦ employed by PES operators, but engaged in another public service. This is the case, for example, of the family allowance payment offices in Germany, or of the social workers of the departments whose main activity is not to work on the professional and social integration of recipients of *minimum* social benefits;
- ♦ private placement operators, due to lack of information and data reliability.

These FTE data provide information on the size of the various PES, but this must always be compared with the level of outsourcing of the PES, since fewer staff may be accompanied by greater use of private providers, which varies greatly from country to country.

1.2. In France

1.2.1. Perimeter of the operators of the PES

Support for job seekers in France involves five public actors who account for almost all the full-time equivalents (FTEs) working for the PES in a public entity:

- ♦ Pôle emploi, whose missions are defined in Article L. 5312-1 of the French Labor Code;
- ♦ the Association pour l'Emploi des Cadres (APEC), an associative structure responsible for supporting executives and young graduates, and for "*helping to ensure the success of executive recruitments*". APEC receives subsidies from the State as well as a mandatory contribution paid by executives and companies;
- ♦ local missions, which fulfill a public service mission for the professional and social integration of young people as defined in articles L. 5314-1 to 4 of the Labor Code;
- ♦ the departments, whose staff manages the granting of the current solidarity income (RSA), along with support, to beneficiaries, who also make up nearly 12% of those registered with Pôle Emploi¹⁰ ;

¹⁰ 40% of RSA recipients are registered with Pôle Emploi, according to a 2018 note from the Directorate of Research, Studies and Statistics (DREES), which corresponds to about 700,000 people, out of the 5 million registered in categories A, B and C of Pôle Emploi.

<https://drees.solidarites-sante.gouv.fr/sites/default/files/2021-01/Fiche%2019%20-%20L%E2%80%99accompagnement%20des%20b%C3%A9n%C3%A9ficiaires%20du%20RSA%20inscrits%20%C3%A0%20P%C3%B4le%20emploi%20.pdf>

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- ◆ Cap Emploi, specialized placement organizations (OPS) carrying out a public service mission for people with disabilities¹¹.

The total number of FTEs of the main French PES operators is estimated at 73,822.

Table 2 Total FTEs of the main PES operators (latest figures available)

	Employment	EPAC	Local Missions	Departments	Cap Emploi	Total
Number of FTEs	52 417	940	12 374	6 591	1 500	73 822
Reliability out of 5	5	5	5	3	2	N.A.

Source: Mission d'audit de la convention tripartite État-Unédic-Pôle Emploi; APEC 2020 financial report; Union nationale des missions locales 2020 annual report; DREES; Union nationale des CCAS website; Vie publique; Mission.

Reading: 5 indicates a very high reliability of the data and 1 a very low reliability.

1.2.2. Estimated FTEs in each facility

1.2.2.1. Employment

The French PES is based on the position of Pôle Emploi as the main player in the PES. Pôle Emploi is the largest operator of active policies and, by delegation from Unédic¹², provides compensation to job seekers. For this exercise, the mission relied on the report of the Inspectorate General of Finance (IGF) on the audit of the tripartite agreement between the State, Unédic and Pôle Emploi, which was published in January 2023, and in particular the appendices devoted to support, compensation, human resources and the network.

The general management of Pôle emploi had provided this mission with two statements reflecting the functional distribution of permanent staff at the end of 2021. The number of FTEs shown is 52,417!

1.2.2.2. EPAC

EPAC's FY 2020 financial report cites a workforce of 940 FTEs¹³.

1.2.2.3. Local Missions

The National Union of Local Missions (UNML) Annual Report 2021¹⁴ indicates that missions employ 12,374 FTEs.

¹¹ Presentation on the site of the Ministry of Labour of the Cap Emploi - <https://travail-emploi.gouv.fr/ministere/service-public-de-l-emploi/article/cap-emploi>

¹² Page of the Pôle Emploi website dedicated - <https://www.pole-emploi.fr/employeur/vos-declarations-et-cotisations/vous-etes-un-employeur-public/la-convention-de-gestion.html>

¹³ EPAC 2020 Financial Report - <https://corporate.apec.fr/files/live/sites/corporate/files/Notre%20Vision/pdf/rapport-financier-2020>

¹⁴ Annual report 2021 of the local missions - https://www.unml.info/assets/files/AG2022/unml_ra2021_a4_bd_page.pdf

1.2.2.4. The departments

Two DREES studies allow the mission to estimate the number of staff in departments actually responsible for vocational and socio-professional support, based on 2016 figures and using simplifying assumptions.

DREES counts 73,230 FTE social and medico-social workers in the départements¹⁵, of which 9%¹⁶ are responsible for inclusion. Thus, 6,591 FTEs responsible for inclusion can be counted.

1.2.2.5. Cap Emploi

A dedicated report by the General Inspectorate of Social Affairs (IGAS) puts the number of Cap Emploi staff at around 1,500 FTEs in 2016. In the absence of more recent data, this figure is used¹⁷.

1.3. In Germany

1.3.1. Perimeter of the PES operators

The German PES is based on :

- ◆ Bundesagentur für Arbeit;
- ◆ Inter-municipalities (Kreise), either associated with the BA in centers (Jobcenters) or operating these centers alone (zugelassene kommune Trägern, zkT).

Table 3 Total FTEs of the main PES operators (latest figures available)

	<i>Bundesagentur SGB III</i>	<i>Bundesagentur SGB II</i>	<i>Kreise in Jobcenters</i>	<i>Kreise in zkT</i>	Total
Number of FTEs	56 000	39 484	16 340	11 283	123 107
Reliability out of 5	5	5	5	2	N.D.

Source: Bilan social de la BA, September 2021; IGF report on the comparison of the workforce of the European PES, Annex 3, 2010; mission.

1.3.2. Estimated FTEs in each facility

1.3.2.1. Bundesagentur für Arbeit

The German system is based on the *Bundesagentur für Arbeit* (BA), the main operator of the PES. The mission was able to obtain an internal social balance sheet of the BA, which shows the distribution of the various FTEs by type of structure.

As of September 2022, the BA has 101,040 full-time equivalents (FTEs), of which 56,000 serve the so-called SGB III population (on UI) and 39,484 serve SGB IIs (on social minimum). **The number of FTEs included in the public employment service by the BA is therefore 95,484.**

¹⁵ DREES note, "Les personnels de l'action sociale et médico-sociale des départements", 2018 - <https://drees.solidarites-sante.gouv.fr/sites/default/files/2021-04/3-10.pdf>

¹⁶ *Ibid.*

¹⁷ IGAS, "Evaluation of Cap Emploi and support towards employment for disabled workers who are long-term unemployed," May 2017, p. 32.

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Table 4 Number of FTEs at the *Bundesagentur für Arbeit* (2022)

2021	For SGB III population	For population SGB II	Family Allowances	Total
Number of FTEs	56 000	39 484	5 556	101 040

Source: Social balance sheet of the Bundesagentur für Arbeit, September 2022.

In total, more than 90,000 FTEs are located in regional offices or agencies.

1.3.2.2. Intercommunities (Kreise), in co-managed or autonomously managed Jobcenters

BA employees account for about two-thirds of the staff of the co-managed *Jobcenters*, i.e. 39,614 FTEs in September 2022 out of a total of about 56,000 FTEs.¹⁸ One third of the staff of the *Jobcenters* co-managed by the BA and the inter-municipalities are therefore local employees on secondment, as stipulated in Article 3 of the Federal Employment Agency's Management Regulation¹⁹ on the delegation of powers in the area of civil servant law, pensions and discipline (BAZustAnO). **As of September 30, 2022, almost 16,340 FTEs employed**²⁰ in the co-managed *Jobcenters* were local government employees on secondment²¹.

For the autonomously managed *job centers* (*zugelassene kommunale Träger*), the mission did not have access to aggregated data. A coefficient equal to 104/69 was therefore applied to the number of staff in the inter-municipalities managing the *job centers* alone in 2010, as estimated by the IGF mission of 2010 which studied the number of PES staff in France, Germany and the United Kingdom (7,798, p. 26 of annex III of the report), the number of *job centers* co-managed having increased from 69 to 104 since 2010.

Then, a coefficient of 0.96 is applied to the resulting figure, assuming that the *jobcenters'* staff reductions are proportional to the reductions made by the BA since 2010. **This results in 11,283 FTEs.**

1.4. In Catalonia

1.4.1. Perimeter of the PES operators

The PES in Catalonia involves three major public actors:

- ◆ the Public Employment Service of Catalonia (*Servei Públic d'Ocupació de Catalunya, SOC*), which has powers of placement, mediation, training and sanctions under the law of June 5, 2003;
- ◆ the State Public Employment Service (*Servicio público de empleo Estatal, SEPE*), which is primarily responsible for paying contributory and non-contributory benefits, under the above-mentioned law of June 5, 2003;
- ◆ *Barcelona Activa*, the economic development agency of the city of Barcelona.

Four other municipalities²² also offer support services to job seekers, but the mission was unable to obtain reliable data on this subject.

¹⁸ Written elements transmitted by the BA to the mission in January 2023.

¹⁹ Regulatory level standard.

²⁰ See footnote 78.

²¹ BA's written response to the mission, January 2021.

²² Including Manlleu, a municipality visited by the mission during its visit to Catalonia in November 2022.

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Table 5 Total FTEs of the main PES operators (latest figures available)

	SOC	ECCE	Barcelona Activa	Total
Number of FTEs	1 799	623	463	2 885
Reliability out of 5	4	2	3	N.D.

Source: SOC 2021 Annual Report; Cronica Business Cqt; Barcelona Activa Key Figures 2021; ViaEmpresa.cat; Mission.

1.4.2. Estimated FTEs in each facility

1.4.2.1. SOC

The SOC has 1,799 employees (in FTEs) in 2021²³.

1.4.2.2. ECCE

The mission does not have precise information on the number of SEPE staff responsible for managing benefits in Catalonia. The Catalan business press reports on the recruitment difficulties of the SEPE and indicates that in 2021 the province of Barcelona has 449 SEPE employees²⁴. Since the province of Barcelona represents 72% of the Catalan population²⁵, it is estimated that there are 623 FTEs in the Catalan region, assuming that the coverage rate is equal in the province.

1.4.2.3. Barcelona Activa

In July 2021, Barcelona Activa had approximately 463 FTEs²⁶.

1.5. In Denmark

1.5.1. Perimeter of operators accompanying job seekers

The Danish system is deconcentrated: the 98 municipalities are each responsible for employment policies via their *Jobcenter*. The mission selected :

- ◆ **the national STAR agency with 360 FTEs:** the agency oversees the implementation of policies but has no prerogative to support job seekers;
- ◆ **municipalities as the relevant level** for FTE accounting. The total number of staff employed in the *Jobcenters* is the sum of the FTEs employed in each *Jobcenter*.

Each municipality is free to organize its own *Jobcenter* with its own distribution of FTEs. In Denmark, there is no centralized system for information about the resources employed.

²³ SOC 2021 Annual Report.

²⁴ Article from June 30, 2022 from *Cronica Global Business* - https://cronicaglobal.elespanol.com/business/sepe-desangra-barcelona-33-plantilla-sin-cubrir_692756_102.html

²⁵ *Idescat* Statistical Portal - <https://www.idescat.cat/indicadors/?id=aec&n=15223&lang=es>

²⁶ Article from the specialized website *ViaEmpresa* - https://www.viaempresa.cat/territori/barcelona-activa-contentracio-temporalitat_2155311_102.html

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Table 6 Total FTEs of the main PES operators (latest figures available)

	STAR	Jobcenters	Total
Number of FTEs	360	12 000	12 360
Reliability out of 5	2	4	N.D.

Source: Mission visit to Denmark in November 2022; mission.

1.5.2. Estimated FTEs in each facility

1.5.2.1. STAR

According to oral evidence provided to the mission in November 2022 during a visit, STAR has 360 FTEs in 2022.

1.5.2.2. Jobcenters

According to a diplomatic note from the French Embassy in Denmark, *Jobcenters* have a total of 12,000 FTEs in 2021, which represents an increase in the total number of FTEs by 37%, from 9,117 FTEs in 2014²⁷ to 12,000 FTEs in 2021 while unemployment declined slightly over the same period.

1.6. In Flanders

1.6.1. Perimeter of the PES operators

The Flemish PES involves four public actors:

- ◆ the Flemish Service for Job Search and Vocational Training, or *Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding* (VDAB), which is responsible for job placement, guidance, and vocational training for job seekers and employees²⁸ ;
- ◆ the National Employment Office (NEO), which executes the sanctions decided by the VDAB;
- ◆ the unemployment funds of historically representative trade union organizations (Centrale Générale des Syndicats Libéraux en Belgique - CGSLB, Fédération Générale du Travail de Belgique - FGTB, Confédération des Syndicats Chrétiens - CSC), as well as the Auxiliary Fund for the Payment of Unemployment Benefits (CAPAC), which is responsible for the payment of pensions²⁹ ;

²⁷ KL's 2014 report on the performance evaluation of Jobcenters.

²⁸ Article 5 of the decree of May 7, 2004 - https://etaamb.openjustice.be/fr/decret-du-07-mai-2004_n2004035865.html

²⁹ Unédic, "L'indemnisation du chômage en Belgique", 2020 - <https://www.unedic.org/sites/default/files/2020-06/Etude%20-%20Indemnisation%20du%20chomage%20en%20Belgique.pdf>

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- ◆ the public social action centers (CPAS, or *openbaar centrum voor maatschappelijk welzijn* in Dutch), charged with a general social assistance mission under the organic law of July 8, 1976³⁰. Groupings of PCSWs within structures with different types of legal personality exist³¹.

Table 7 Total FTEs of the main PES operators (latest figures available)

	VDAB	NEO	Unemployment funds	CPAS (OCMW)	Total
Number of FTEs	4 500	77	1 062	4 000	9 639
Reliability out of 5	4	3	1	2	N.D.

Source: VDAB Annual Report 2021; NEO Annual Report 2020; Mission.

1.6.2. Estimated FTEs in each facility

1.6.2.1. VDAB

VDAB employs 4,500 FTEs by the end of 2021³².

1.6.2.2. NEO

At the end of 2020, the NEO had³³ 206 FTEs in charge of control and inspection. With Flanders accounting for 37% of the unemployed³⁴, it is estimated that 77 FTEs are involved in the Flemish PES.

1.6.2.3. Union pension funds and CAPAC

Whereas:

- ◆ The Permanent Centre for Citizenship and Participation (CPCP), an independent research center partly financed by the Walloon region, has estimated the number of cases handled by the different funds³⁵ in 2019, based on sources that are themselves scattered³⁶ (see Table 8).

³⁰ Article 60 of the Organic Law on PCSWs stipulates that "when a person has to prove a period of work in order to obtain the full benefit of certain social allowances, the public social welfare center shall take all necessary measures to provide him with a job".
<https://wallex.wallonie.be/contents/acts/19/19818/1.html?doc=447>

³¹ Information on the portal of the Flemish civil service <https://lokaalbestuur.vlaanderen.be/verzelfstandiging-en-samenwerking/vereniging-of-vennootschap-voor-maatschappelijk-welzijn-ocmw-verenigingen>

³² VDAB Annual Report 2021.

³³ Annual Report 2020, p. 158

https://www.onem.be/sites/default/files/assets/publications/Rapport_Annuel/2020/Presentation_Presse_2020_FR.pdf

³⁴ Statbel 's statistics page - <https://statbel.fgov.be/fr/themes/emploi-formation/marche-du-travail/emploi-et-chomage>

³⁵ CPCP, "The Payment of Unemployment Benefits," 2019 - <https://www.cpcp.be/wp-content/uploads/2019/05/paiement-allocations-chomage.pdf>

³⁶ CPCP, "The Payment of Unemployment Benefits," 2019 - <https://www.cpcp.be/wp-content/uploads/2019/05/paiement-allocations-chomage.pdf>

Table 8 Distribution of the number of unemployed in Belgium according to the unemployment fund of affiliation (2013)

Fund of affiliation	Share of unemployed in Belgium attached (annual average)
CGSLB	6%
FGTB	40%
CSC	43%
CAPAC	14%

Source: CPCP Centre, based on parliamentary records and literature review; Mission.

- ◆ the only data the mission found regarding FTEs employed by these funds were those from the federal statistics service "Infocentre" concerning CAPAC's workforce (522 in 2021).

Assuming that:

- ◆ In the absence of available data, the distribution of compensated job seekers is identical between regions;
- ◆ the human resources intensity is equal between the different funds.

The mission estimates the number of FTEs employed by the³⁷ payment funds in Belgium at approximately 3,728.

Considering finally that the human intensity is the same in Belgium as a whole, and knowing that Flemish compensated jobseekers represent 38% of the national total³⁸ , 1,062 is the estimated number of PES staff in charge of support in the Flemish region.

1.6.2.4. CPAS (or OCMW)

The aggregate staffing of all Flemish OCMWs is 29,304 FTEs³⁹ . A 2014 report by Probis Consulting⁴⁰ put the share of OCMWs' "tasks" in Belgium devoted to "activation" functions at about 15%, within a representative sample of centers. With the simplifying assumption that this share is homogeneous on the Belgian territory and that the time spent per task is also homogeneous between the different services of the centers, we deduce that 15% of the 29,304 FTEs, or about 4,000 FTEs, contribute to the public employment service.

1.7. In Sweden

Arbetsförmedlingen employs a total of 11,000 FTEs. These 11,000 FTEs are distributed both at the operator's headquarters and in the agencies. The mission has no further information on the internal structure of *Arbetsförmedlingen*. The number of staff at this agency has decreased by 30 percent since the reform implemented in 2019, which aimed to outsource the support of job seekers to private providers to be chosen by the job seekers. The agency focuses on statistical monitoring, accreditation and evaluation of private providers, controls and horizontal tasks.

The mission was unable to obtain aggregate data on the number of employees in the various pension funds.

³⁷ 1/0,14*522.

³⁸ Figures from the National Employment Office (NEO), January 2022
https://www.onem.be/sites/default/files/assets/presse/Chiffres_chomage/2022_01_Chiffres-chomage.pdf

³⁹ Statistical page of the Flemish government, 2021 - <https://www.vlaanderen.be/statistiek-vlaanderen/overheidspersoneel/personeel-lokale-besturen#gemeentebesturen-en-ocmws-grootste-werkgevers-bij-lokale-besturen>

⁴⁰ Probis, "Analysis of the workload of social workers in Belgian PCSWs," November 2014 (commissioned by the Belgian federal public service).

2. Analysis of the use of outsourcing and training by PES : the study of the use of third parties, including external trainers, makes it possible to complete the analysis of the differences in staffing levels between PES

The level of outsourcing of the PES studied is an essential complement to the estimate of FTEs of public operators. The mission was faced with the difficulty of distinguishing between the outsourcing of support services and vocational training, as the borderline between the two is blurred and varies greatly from one country to another.

The mission therefore sought to evaluate the volume of services and training outsourced, by looking at the budgets allocated (3.1.). The mission also sought to compare the frequency of recourse to professional training between the PES studied (3.2.).

2.1. Use of outsourcing by the main PES operators : the use of private providers by the main operator is generally higher in the less well-staffed PES

The mission attempted to estimate the use of outsourcing to private operators. However, there is very little data available on the subject. The study of internal documents for each country, a comparison on this subject carried out by the OECD⁴¹, and field visits did, however, enable the mission to make a qualitative assessment of the degree of outsourcing of training (cf. table 9) :

- ◆ **in France, the use of outsourcing can be considered to be strong**⁴². Annex VI of the audit report on the tripartite agreement between the State, Pôle Emploi and Unédic, carried out by the Inspectorate General of Finance (IGF) in 2022, mentions "*the strong increase in outsourced support*", which now concerns almost one in five people registered and refers to a clear increase in expenditure on outsourced services over the period 2015-2021 (+76%). At the same time, the lack of internal training centers at Pôle Emploi means that the use of training is high;
- ◆ **in Flanders, the use of outsourcing is moderate**⁴³. An accounting by recipient of the VDAB's expenditures, carried out for the year 2018 by the international labor organization⁴⁴, indicates that external services represented 22% of expenditures in 2018. 45% of orientation/coaching expenditures and 16% of training expenditures were paid to providers under this heading. This low share of outsourced training, which is nevertheless likely to increase, is explained by the existence of an internal network of training centers, which now hosts one-third of job seekers in training⁴⁵ ;
- ◆ **in Catalonia, the use of outsourcing is low for job placement and coaching**⁴⁶, and high for training, despite the existence of six internal training centers. In fact, 4,897 people received training in 2021 in one of the SOC's internal vocational training centers, out of the nearly 40,000 who were referred for training by the counselors;

⁴¹ OECD, 2021, Social, Employment and Migration Working Papers, No. 262, "Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity", Anne Lauringson, p. 12.

⁴² From OECD, 2021, Social, Employment and Migration Working Papers, No. 262, "Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity", Anne Lauringson, p. 12.

⁴³ The OECD report cited above does not compare regional public employment services.

⁴⁴ ILO, "Key developments, role and organization of Public Employment Services," 2019, p. 105 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/---cepol/documents/publication/wcms_724913.pdf

⁴⁵ Interview with VDAB's managing director, November 2022, and written material received in January 2023.

⁴⁶ Visit to Catalonia in November 2022.

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- ◆ **In Germany, the use of outsourcing can be considered moderate⁴⁷** . While the use of external service providers is almost non-existent for placement⁴⁸ , the *Budesagentur* does not have any internal training centers, nor does it have any trainers on its staff⁴⁹ ;
- ◆ **In Sweden, for *Arbetsförmedlingen*, contacts with the public have been reduced to the management of digital tools**, the first telephone interview, and the support of the public with the most difficulties. Part of the support and all of the training are outsourced. **The outsourcing of services is very strong, as confirmed by the OECD in a comparative study in 2021** (cf. table 10)⁵⁰ ;
- ◆ In Denmark, municipal PES *job centers* coordinated by STAR are free to outsource their services. According to the OECD, this outsourcing is considered low⁵¹ . The mission does not have a precise assessment of outsourcing.

**Table 9 Degree of outsourcing of training by country
by the main operator, after the mission's investigations**

Use of outsourcing	Country
Low to moderate	Catalonia, Flanders, Germany
Fort	France
Very strong	Sweden

Source: Mission.

Table 10 Organizational models of public PES actors in different OECD countries with respect to the autonomy of PES actors from national authorities (x-axis) and the role of private providers (y-axis) (2021)

	Department of a ministry coordinating public/private providers	National operator reporting directly to a ministry	National operator with tripartite governance	Decentralized PES with a national coordinating agency	Decentralized PES without a national coordinating agency
Mainly public providers	CYP, JPN, LUX	CZE, CHL, CRI, ISR, SVK	EST, DEU, HRV, PRT, SVN	CHE, DNK	CAN
Private providers offering services to complement public providers	-	BGR, LTU, LVA, MEX, NLD	GRC, ISL, ROU, TUR	COL, ESP	-
Partial or total use of private service providers	AUS, FIN, GBR, HUN, IRL, NZL	KOR, MLT, NOR, SWE	AUT, FRA	ITA	BEL, POL, USA

Source: OECD, 2021, Social, Employment and Migration Working Papers, No. 262, Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity, Anne Lauringson.

⁴⁷ Rated as low in OECD, 2021, Social, Employment and Migration Working Papers, No. 262, "Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity", Anne Lauringson

⁴⁸ Interview with senior management in October 2022.

⁴⁹ BA Social Balance Sheet, September 2022.

⁵⁰ OECD, 2021, Social, Employment and Migration Working Papers, No. 262, "Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity", Anne Lauringson.

⁵¹ OECD, 2021, Social, Employment and Migration Working Papers, No. 262, "Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity", Anne Lauringson.

2.2. Use of training by the PES : international comparisons in figures cannot account for the differences in training strategies observed by the mission in the PES

The use of training is a structuring element of the PES, which reflects the strategy of the PES: a rapid return to employment, or a preference for consolidating skills and/or respecting the personal wishes of the job seeker.

It can be:

- ◆ a tool reserved for people furthest from the labour market (Flanders);
- ◆ a tool for returning to work and a possible counterpart to high levels of sanctions (Sweden, Denmark);
- ◆ a tool for returning to work and a desire to respond to the individual wishes of job seekers, in a context of less tension and less effective matching on the labor markets (Catalonia).

However, data on the training of jobseekers are very limited. Moreover, the lack of detailed data at the regional level in Europe has made it impossible to properly understand the Catalan and Flemish PES, whose particularities with regard to training are detailed in the relevant annexes.

The mission used data from the European Center for the Development of Training (CEDEFOP)⁵², which lists, by country, the average share of job seekers over a year who have been prescribed a training experience in the last four weeks (see Table 11). The lack of reliable and comparable data on the content of these training courses and their average duration prevents the mission from

Table 11 Share of Job Seekers Prescribed a Training Experience in the last four weeks in 2021

	ALL	ESP	DK	BE	EN	SUE
in % of total	11	16	31	14	12	47

Source: CEDEFOP.

3. Analysis of PES budgets: the comparability of public spending on passive and active employment policies, even *through* the mobilization of data from international organizations, is very limited

The mission was unable to collect financial data of sufficient reliability to estimate the budgets of the PES studied. The budgets of the main operators, where available, are detailed by the mission in the thematic annexes. But the mission did not have time to gather sufficient elements to evaluate the budgets of the other public actors of the PES studied.

The table below shows the order of magnitude of public spending per country, as a percentage of gross domestic product (GDP), on labour market policies for job seekers and disadvantaged people in transition to employment⁵³ (see table 9, for information). These data, presented by the OECD, are collected by the European Commission's Directorate General for Employment⁵⁴.

⁵² CEDEFOP website - <https://www.cedefop.europa.eu/en/data-insights/13-do-unemployed-adults-participate-education-and-training>

⁵³ It was based on the "*public expenditure and participant stocks on LMP*" portal of the Organization for Economic Cooperation and Development (OECD) - <https://stats.oecd.org/index.aspx?DataSetCode=LMPEXP#>

⁵⁴ Methodological note on the available data used by the OECD
https://ec.europa.eu/employment_social/employment_analysis/lmp/lmp_esms.htm

**Table 12 Summary of public spending on the labor market according to the OECD
(in 2020, with partial unemployment neutralized)**

Country	ALL	ESP	DK	BEL	EN	SUE
Total expenditure as % of GDP ⁵⁵	1,5 %	2,7 %	3,1 %	2,0 %	2,9 %	1,6 %
Compensation expenditure as % of GDP	0,9%	1,9 %	1,2 %	0,9 %	1,9 %	0,6 %
Training expenditure as % of GDP ⁵⁶	0,2%	0,1 %	0,3 %	0,2%	0,3 %	0,1 %
Other measures as % of GDP	0,4%	0,7%	1,6%	0,9%	0,7%	1,0%
Total budget of private providers	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.

Source: OECD; Mission.

4. Analysis of sanctions in each of the PES studied by the mission: although all the PES provide for a series of common obligations for jobseekers in different ways, the effectiveness of sanctions varies

Box 1 Difficulties, points of vigilance and methodology used by the mission for the cross-sectional study of sanctions by PES

In addition to an analysis, by country in the various annexes, of the rights and duties of jobseekers in the PES, the mission sought to establish a comparison of sanction systems between them. The objective is to measure the effectiveness of the duties.

The sanction is a tool used by the main operator after monitoring jobseekers, and reflects the failure to comply with an obligation laid down by the law, the regulations or a contract between the operator and the jobseeker (cf. 4.1.1). While the exact nature of the obligations may vary from one PES to another, the mission found that all jobseekers had duties towards the main operators in all cases.

A relevant comparison should thus take into account:

- the various reasons for sanctions, which are most often related to the general or specific obligations of job seekers;
- the different types of sanctions and their amounts.

As sanctions most often have financial consequences, the mission found that they primarily concern jobseekers receiving unemployment insurance and/or minimum social benefits. However, some operators, such as Pôle Emploi, also impose sanctions - deregistration, which implies the temporary cessation of access to the services offered - on registered jobseekers who do not receive any benefits.

The mission completed its analysis by looking at the concrete application of the sanction mechanism to the main operator's registrants. In this respect, a distinction must be made between :

- the initiative of the sanction, which in all the PES belongs to the main operator. The mission was able to observe that the initiative for the sanction could be either algorithmic with human verification, or manual. In the latter case, the initiative for the sanction is left either to the counselor dedicated to accompaniment, or to special teams dedicated to controlling job seekers;
- the operational application of the sanction, which in some PES is the responsibility of the organization that compensates jobseekers (Belgium, Spain, Denmark for unemployment insurance recipients), in others of the operators responsible for support (Germany, France by delegation, Denmark for recipients of *minimum* social benefits, Sweden).

After defining the nature of the sanctions and the functional organization of the sanction regime in each PES, the mission was able to compare the frequency of sanctions.

⁵⁵ Percentages taken from the database "*public expenditure and participant stocks on LMP*" of the Organization for Economic Cooperation and Development (OECD), with a correction made for Spain based on the European Commission note, "Workforce skills and innovation diffusion: trends and policy implications", Working Paper, 2020. In fact, for the other countries and regions, the comparison of these two sets of data for total PES expenditures are reconciled.

⁵⁶ In the case of Spain, the percentage of GDP chosen is that taken from the Commission's note, Figure 17, above.

Source: Mission.

4.1. Nature of sanctions: non-compliance with the obligations of job seekers is a reason for sanctions in all PES, which in most cases are financial in nature

4.1.1. The obligations of job seekers in the PES

The PES uses sanctions to ensure that jobseekers comply with their obligations, which differ from country to country (see Box 1 and country annexes).

Box 2 The obligations of job seekers

The duties most frequently stated by the PES worldwide are **participation in recommended measures, training or actions** (Germany, Austria, VDAB, Denmark, Spain), **attendance at interviews** (Germany, VDAB, Denmark, Spain, Sweden), **active job search** (Germany, VDAB, Denmark - which specifies full time, Sweden), the duty to **report any change in situation** (Germany, (Germany, VDAB, Denmark, Sweden), the **development of and/or adherence to an action plan or personalised employment access project** (Germany, VDAB, Denmark, Sweden), a reference to the **reasonable, suitable or appropriate offer** (Germany, VDAB), **informing the PES in case of absence or unavailability** (Germany, VDAB, Denmark) and **informing the PES of one's search for work/being able to demonstrate it** (Sweden).

Other duties appear more at the margin in the panel of 33 countries studied by Pôle Emploi, such as availability for a job search/for the labor market (Denmark, which specifies that one must be able and willing to take up a job, attend an interview or an offer made the day after the offer is made), **being contactable** (Germany) **reporting on one's job search, including through an equivalent of a job search log** (Denmark *Joblog*, and Sweden, where one must send a monthly activity report), **attending job interviews** (Denmark), and **creating a CV** (Denmark, where it must be approved no later than 2 weeks after registration),

Among the major differences in duties are those related to the **frequency of appointments or contacts with the PES in a specific way** (Denmark: check daily and respond to requests from the unemployment insurance agency/caisse or others) There is also a requirement of **residence and stay** in Denmark

Source: Pôle Emploi international study; mission.

4.1.2. Reasons for sanctions

Each PES has developed a set of grounds for sanctioning job seekers. However, it is not easy to compare the grounds for sanctions, as each PES uses different technical terms, while some PES leave it to the individual contracts to adapt the grounds to each individual (e.g. Germany).

Table 13 Details of the reasons for sanctions used by each PES

N°	Reasons for sanctions	ALL	CAT	DK	FL	EN	SUE
1	Absence from interviews with the advisor	X	X	X	X	X	X
2	Does not or no longer participate in activation programs	X	X	X	X	X	
3	Refuses job offers	X	X	X	X	X	
4	Insufficient job search	X	X	X		X	X
5	Does not declare his activity (update of the PPAE for France)			X			X
6	Does not meet the obligations of the individual employment contract or plan	X	X	X		X	X

Source: Germany (§ 159 of the third book of the Social Code); Catalonia (Article 17 and 47.1 of the Royal Decree of August 4, 2000); Denmark (BEK No. 1700 of August 19, 2021; Jobnet; STAR); Flanders (Royal Decree of November 25, 1991; VDAB submission to the mission in November 2022); France (Pôle emploi); Sweden (Act 2017:819; Act 1997:238).

Based on the study of the reasons for sanctions used by each PES (cf. table 13), the mission was able to observe three main reasons for sanctions that were *almost* common to all of them (at least five occurrences out of six PES). These were cases where :

- ◆ the job seeker does not attend interviews with the PES;
- ◆ the job seeker does not conduct a sufficiently active job search and refuses job offers or interviews;
- ◆ the job seeker does not meet their activation commitments. This reason includes, for example, situations where the unemployed do not attend the training or activation programs for which they are registered. It also includes situations where the jobseeker does not provide the operator with the information necessary for follow-up, as for example with the activity reports in Sweden or Denmark.

4.1.3. Types of sanctions

The mission was able to observe that, with few exceptions, the sanctions imposed by the PES on job seekers are financial⁵⁷ and consist of:

- ◆ temporary or permanent suspension of unemployment benefit and/or social assistance;
- ◆ a reduction in unemployment benefit and/or social assistance by a flat amount. This is a flat-rate penalty deducted from the assistance normally paid.

The mission observed two different forms of sanctions depending on the PES (cf. table 14).

Table 14 Main types of sanctions used by EPS

Country	ALL	CAT	DK	FL	EN	SUE
Temporary or permanent suspension of the tiered allowance	Yes (SGB III)	Yes	Yes	Yes	Yes	Yes
Reduction of the allowance by penalty	Yes (SGB II)	No	Yes	No	No	No

Source: Main operators of each PES; Royal Decree-Law of 4 August 2000 in Spain; Mission.

Note: Suspension of services means that the operator suspends the unemployed's right to receive services, such as training and activation programs.

4.1.3.1. For PES with tiered benefit suspensions: Germany, Flanders, France and Sweden

The particularity of the Pôle emploi system is the fact that a sanction causes the job seeker to be removed from the operator's lists. Pôle emploi cannot impose a financial sanction on a job seeker without removing him or her from the lists of unemployed persons registered with Pôle emploi. At the end of the delisting period, the job seeker must re-register with the operator in order to benefit from support and unemployment benefit again.

Most CPSs use a system of warnings and a gradation of sanctions according to the number of warnings. In these PES the sanctions are graduated and increase according to the number of warnings or sanctions already given. The intensity of the sanction thus varies according to the number of steps chosen (cf. table 15).

A total of four countries sanction job seekers by suspending their benefits:

⁵⁷ In France, a job seeker who does not receive any compensation (unemployment benefit or social minima) can be sanctioned by an administrative cancellation. This sanction does not entail any financial penalty, but rather a temporary inability to access the services offered.

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- ◆ In Germany, recipients of contributory unemployment benefit can have their benefit suspended for a maximum of twelve weeks in the event of three "*refusals of employment, refusal of a vocational integration measure, integration course*", according to § 159 of the third book of the Social Code;
- ◆ In Flanders, the VDAB can, after a warning, suspend the jobseeker's benefits. The duration of the suspension of rights is progressive: depending on the reasons for the sanctions, the VDAB provides for up to four levels of sanctions before reaching the maximum sanction. Benefits can only be suspended for a period of between 4 weeks and a maximum of 52 weeks⁵⁸ ;
- ◆ In France, Pôle emploi applies a system of sanctions by striking off. The number of warnings determines the duration of the striking off. Pôle emploi provides for a maximum of three levels of sanctions. In principle, the duration of a job seeker's disbarment is at least one month and cannot exceed four consecutive months. However, in the event of a failure to declare or a false declaration, the duration of the deregistration can be between 6 and 12 consecutive months, starting with the first warning;
- ◆ In Sweden, the *Arbetsförmedlingen* and the *A-kasse* suspend benefits for a statutory period. The length of the suspension increases with the number of warnings and sanctions issued to the job seeker. Swedish law provides for a maximum of five warnings before a final suspension of rights is pronounced. Before the final suspension of rights, the duration of suspension can range from 1 day to 45 days⁵⁹ .

Table 15 Number of levels and duration of sanctions by PES

	Germany	Flanders	France	Sweden
Maximum number of steps	3	4	3	5
Minimum suspension period	1 week	4 weeks	1 month	1 day
Maximum duration of suspension	12 weeks	52 weeks	12 months	End of rights

Source: Pôle emploi data for France, Germany and Flanders; § 159 of the third book of the German social code; written elements transmitted by the Bundesagentur für Arbeit to the mission; § 31 of the second book of the German social code; Mission.

4.1.3.2. For PESs applying benefit reductions through penalties: the special case of Denmark and Germany for its SGB II population

Two countries studied apply a system of penalties with tiered penalty amounts.

- ◆ In Germany, a scale of sanctions consisting of the reduction of a part of the monthly allowance, during a variable period, is applied to the SGB II population (jobseekers not eligible for unemployment insurance). The legal basis is § 31 of the second book of the German Social Code. There are three stages of 10% reductions after warning, with a 2019 decision of the Karlsruhe Constitutional Court capping the reduction in benefits in 2019 at 30%, based on the principle of "*human dignity* derived from the German Basic Law⁶⁰ ;

⁵⁸ Annex II; ASBL; Belgian monitor.

⁵⁹ Annex V; Arbetsförmedlingen; Law 2021:27; Law 2017:819; <https://arbetsformedlingen.se/for-arbetssookande/arbetslos--vad-hander-nu/villkor-nar-du-har-ersattning-fran-a-kassan>

⁶⁰ Presentation of the BA to the mission in October 2022.

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- ◆ In Denmark, the *Jobcenters* apply sanctions to recipients of unemployment benefit and/or social assistance by applying a daily deduction from the benefit paid. The legal basis is LBK no. 241 of February 12, 2021, and an annual regulation on the amounts of benefits and penalties, VEJ regulation no. 9768 of June 29, 2022, for the year 2023. Penalty amounts are graduated according to the amount of the monthly allowance received by the job seeker. Four penalty amounts are retained, ranging from a reduction in the allowance of €26.89 to €107.54 per day of sanction. The penalty applies until the job seeker regularizes his or her situation by visiting the *Jobcenter*.

4.2. Organization of the sanctions regime in each PES: the administration of sanctions reflects the overall organization of the PES and, in most cases, its degree of use of new technologies

4.2.1. In most PES, the administration of sanctions involves two types of actors

To develop a comparison of sanction regimes between the PES studied, the mission focused its analysis on jobseekers registered with the main operator (see table 17). table 17) and, in the event of non-compliance with the obligations described above, on the actors involved in the administration of sanctions

While in all cases the main operator in charge of support is the one who initiates the sanction, the administrative execution may be separate. These organizations are directly linked to the competences of the different actors (see Table 16).

Table 17 Operators involved in the sanctioning of jobseekers registered with the main operator with the main operator in the countries studied

SPE	Operator	Role in the sanctioning process	Legal Sources of Jurisdiction
Germany	Bundesagentur für Arbeit	Initiative and execution	Third book of the social code
Catalonia	SOC	Initiative	2003 Spanish Supreme Court ruling; SOC to be presented to the mission in November 2022
	ECCE	Execution	Presentation of the SOC to the mission in November 2022; Royal Decree-Law of August 4, 2000
Denmark	Jobcenters	Initiative, execution for assistance	LBK n°241 of 12/02/2021
	A-kasse	Execution for insurance	BEK n°1700 of 19/08/2021
Flanders	VDAB	Initiative	Special law of 06/01/2014; royal decree of 14/12/2015
Flanders	NEO	Enforcement, initiative on administrative failures	Special law of 06/01/2014; royal decree of 14/12/2015
France	Job center	Initiative and execution	Labor Code, article L5426-1
Sweden	Arbetsförmedlingen	Initiative	Law 2017:819
	A-kasse (for recipients of unemployment insurance)	Execution	Law 1997:238

Source: Mission.

Table 18 Missions entrusted to the main operators by PES

		AL	CAT	DK	FL	EN	SU
Missions entrusted to the principal operator of the PES ⁽¹⁾	Home-information	X	X	X	X	X	X
	Support and implementation of ALMPs	X	X	X	X	X	X
	ED compensation	X				X	
	Direct management of training centers		X		X		
	Youth Orientation	X					
	Payment of minimum social benefits	X		X			
	Payment of family allowances	X					
Intensity of use of private providers (1 low to 3 high) ⁽²⁾		1	2	1	2	3	3

Source:⁽¹⁾ Mission;⁽²⁾ Mission and OECD, see table 11.

Reading note: List of main operators by country: Bundesagentur für Arbeit for Germany, SOC for Catalonia, Jobcenters for Denmark, VDAB for Flanders, Pôle Emploi for France, Arbetsförmedlingen for Sweden.

4.2.2. The functioning of the sanctioning regime: the use of algorithms, the initiative and the sanctioning decision

In each PES studied, the main operator is the one who initiates the sanction of the job seeker (cf. table 17), whether or not it is then responsible for enforcement.

Internally, this initiative may come from a consultant (e.g. Germany, Flanders) or from specialized teams operating in a territory that includes several agencies (e.g. France with regional teams).

Moreover, the use of IT tools varies from one PES to another. In particular, the PES use algorithms differently for the administration of sanctions⁶¹.

For CPSs that use AI to administer sanctions, the mission distinguished two types of practices:

- ◆ The algorithm identifies the breaches and informs the advisor who "manually" pronounces the sanction;
- ◆ the algorithm identifies failures and automatically issues a sanction. Depending on the country, the advisor will be able to re-examine the situation of the job seeker to confirm or lift the sanction.

Table 19 Use of algorithms by CPS for the administration of sanctions

	Counselor of the job seeker who initiated the sanction	High degree of automation of sanctions
Strong integration of IT tools in the PES	Flanders	Denmark, Sweden
Weak integration of IT tools in the PES	Catalonia, France, Germany	

Source: Mission.

The mission found that monitoring the administration of sanctions was easier in countries that use computerized sanctions management (Sweden, Denmark). Data on sanctions is more accessible in countries where digital solutions are more integrated into the sanctions system, such as Denmark.

⁶¹ The use of algorithms is closely linked to the way in which the job search of the unemployed is controlled. The mission, in the previous annexes, has shown how each country organizes the job search of its unemployed. The PES use both services and different means of monitoring job search (such as activity declarations and interviews). These solutions chosen by the PES lend themselves differently to IT support. The mission observed that the more a PES used IT to support job seekers, the more it used AI to administer sanctions. The use of computerized solutions and databases makes it easier for AI to detect violations and issue sanctions.

4.3. General statistics on sanctions by country: while Germany and Denmark admit to very high rates of sanctions, there is a quantitative convergence between the rest of the PES studied

The mission has constructed tables comparing the number of sanctions by reason and by country:

- ◆ a table comparing the sanction rates of jobseekers who may be subject to sanctions, according to simplified criteria allowing for better comparability of the PES (methodological definition cf. box 3 see box 3; cf. table 20) ;
- ◆ a table comparing the sanctions by reason (see table 22). table 22).

Box 3 : Methodological definition of job seekers considered by the mission

To make a comparison of sanction rates, the mission considers only those job seekers who meet the following three cumulative criteria:

- enrolled in the primary PES operator;
- required to seek paid employment, by positive law and/or by contract with the operator;
- which may be subject to a sanction at the initiative of the principal operator of the PES.

Source: Mission.

To estimate sanction rates by main operator, the mission focused on the number of sanctions without warnings, relative to a monthly average of jobseekers who could be sanctioned. The mission relied on raw and comparable data provided by the main operators and by the structures responsible for unemployment compensation. However, this rate does not allow for an accurate measurement of :

- ◆ nor the average number of sanctions per job seeker;
- ◆ nor the number of different sanctioned job seekers during the study year.

Table 20 Percentage of jobseekers subject to sanctions who will actually be actually sanctioned in 2021

Country	ALL ⁶²	CAT	DK ⁶³	FL ⁶⁴	EN ⁶⁵	SUE ⁶⁶
Number of sanctions during the year without warnings (1)	730 165	0	100 348	17 251	497 500	N.D.
Population subject to sanctions (see Box 3). box 3) monthly average over the year 2021 (2)	2 602 000	220 000	216 864	123 904	4 400 000	N.D.
Simplified penalty rate (1)/(2)	28,1 %	0,0 %	46,3 %	13,9 %	11,3 %	N.D.

Source: Germany (Bundesagentur für Arbeit); Catalonia (SOC, SEPE); Denmark (Jobindsats); Flanders (ONEM); France (exchanges with Pôle emploi); Sweden (Arbetsförmedlingen)

Box 4: Definition and accounting of sanctions in Germany

For Germany, the mission calculated the rate from the figures publicly released by the *Bundesagentur für Arbeit* (BA) in April 2022, concerning the year 2021, on SGB III recipients of unemployment benefit, and SGB II, i.e., registered jobseekers receiving a social minimum⁶⁷.

⁶² Cf. Box4.

⁶³ Cf. Box5.

⁶⁴ Cf. Box 6.

⁶⁵ Cf. Box 7.

⁶⁶ The mission cannot provide a reliable indicator for Sweden as the number of sanctions reported by the Arbetsförmedlingen to the mission includes the number of warnings.

⁶⁷ BA Press Release No. 17, April 2021 - <https://www.arbeitsagentur.de/en/press/en-2022-17-sanctions-remain-on-a-low-level-in-2021>

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For SGB III, official statistics show that in 2021 there were 536,436 temporary suspensions of benefits, ranging from one to twelve weeks. The majority of the sanctions were for one week. The primary reason was late registration.

It shows that *Jobcenters* administered 193,729 sanctions in 2021 against "*employable beneficiaries*," i.e., the SGB II share, noting that at least "*3.1 percent of beneficiaries were assessed at least one sanction*."

These figures are related to the 2,602,000 people counted as job seekers in 2021 by the BA, as a monthly average.

Thus, the aggregate simplified sanction rate for both subpopulations is 28.1% in 2021.

Source: Mission; Bundesagentur für Arbeit.

Box 5: Definition and accounting of sanctions in Denmark

In the case of Denmark, the *Jobcenters* initiate sanctions for unemployment insurance recipients and recipients of social minima (cash benefits, which consist of three types of benefits: cash benefit, education benefit and SHO benefit). The mission considered only jobseekers receiving unemployment insurance and/or social minima.

Table 21 Number of recipients and sanctions taken for each population in 2021

Help	Average monthly number of beneficiaries	Number of sanctions during the year	Share of unemployed sanctioned
Unemployment insurance (1)	113 892	39 444	12,1 %
Cash assistance (2)	59 841	27 141	11,5 %
Educational assistance (3)	32 605	25 919	15,4 %
SHO service (4)	10 526	7 844	16,6 %
Total (1)+(2)+(3)+(4)	216 864	100 348	N.D.

Source: Jobindsats.

Note: The share of sanctioned unemployed is an indicator provided directly by Jobindsats that takes into account the average number of sanctions per job seeker.

Applying the method used to calculate the simplified penalty rate, we have that the penalty rate is 46.3% in 2021.

Source: Mission; Jobindsats.

Box 6 : Definition and accounting of sanctions in France

Accounting for sanctions is not easy in France. Since 2019, the competence of sanctions has been transferred from the prefects and the DREETS to Pôle emploi. Administrative deregistration is the sanction chosen by Pôle emploi. In fact, in the event of a violation, Pôle emploi removes the job seeker from its lists. In a methodological note on job seeker statistics, the DARES defines the notion of administrative radiation as follows:

1. "*Administrative disbarment corresponds to a sanction for which the grounds for disbarment are precisely defined by the legislator. These include:*

- *failure to comply with the obligation to seek employment;*
- *refusal, without legitimate reason : to draw up and update the personalized project for access to employment (PPAE); to follow a training or job-seeking assistance or integration action proposed by the Public Employment Service and included in the PPAE; to accept "reasonable job offers" proposed by the Pôle emploi, under the conditions defined by the PPAE, an apprenticeship contract, professionalization contract or subsidized contract; to attend any summons from the Pôle emploi or a medical examination to verify fitness for work;*
- *misrepresentation to be or remain registered as a job seeker.*

In the event of failure to comply with any of these obligations, the job seeker is informed that a procedure for removal from the list is initiated. The job seeker then has a period of 10 calendar days to submit written observations."

Annex IX

The definition of administrative deregistration is a general indicator that groups together the three main reasons for sanctions used by the mission. Pôle emploi does not provide any further statistical details with a breakdown of sanctions by reason.

To establish its comparison, the mission used data from the evaluation report on the tripartite agreement between the State, Unédic and the French employment agency. In 2021, 529,210 deregistrations were pronounced, 69% of which were for not attending an appointment without a legitimate reason and 15% for abandoning training without a legitimate reason. Of these, 497,500 concerned applicants who were in categories A or B the previous month, according to data provided by Pôle Emploi.

This figure is to be compared to the total number of job seekers in France that year (categories A and B) in a monthly average of 4,400,000 in 2021.

This results in a retained sanction rate of 11.3% in 2021.

Source: Pôle Emploi data provided to the mission; DARES methodological note on job-seeker statistics; Evaluation report on the 2022 tripartite agreement between the State, UNEDIC and Pôle emploi.

Box 7 : Definition and accounting of sanctions in Flanders

In Flanders, where the VDAB is the initiator of sanctions for failure to participate in active employment policies, 17,251 sanctions were decided in the year 2021.

This figure refers to the total number of jobseekers in Flanders in that year, not to the number of registered jobseekers, as social integration income (SII) recipients registered with the VDAB can only be sanctioned by the Public Centre for Social Welfare (PCSW) from which they are registered⁶⁸. The total number of jobseekers in 2021 averaged 123,904 (monthly basis)⁶⁹.

This results in a retained sanction rate of 13.9% in 2021.

Source: Mission; NEO.

The mission also attempted to break down the number of sanctions by reason. To do this, the mission used the statistics available for both unemployment insurance and minimum social security recipients.

Table 22 Sanctions by reason in each PES (last known year) in 2021

	ALL	CAT	DK	FL	EN	SUE
% for no-show at operator interviews	> 14 %	N.D.	> 13 %	49 %	69 %	> 25 %
% sanctions for refusal to participate in activation programs	> 3 %	N.D.	> 25 %	12 %	16 %	> 7 %
Penalties for Insufficient Job Search	> 30 %	N.D.	> 2 %	38 %	10 %	> 11 %
% other reasons for sanctions	N.D.	N.D.	N.D.	0 %	5 %	
Total volume of sanctions	730 165	0	100 348	9 182	529 210	642 000

Source: Germany (Bundesagentur für Arbeit); Catalonia (SOC); Denmark (Jobindsats); Flanders (ONEM); France (Pôle emploi and DARES, all sanctions combined); Sweden (Arbetsförmedlingen)

Note: For Germany, the table includes the available statistics on SGB II and SGB III in an aggregated manner; For Denmark, the mission was able to combine statistics on jobseekers receiving unemployment insurance and social minima; For Flanders, the mission was provided with regional figures for the period 2014-2021 by the ONEM and chose 2021 as the reference year; For France, the mission based itself on the work of the audit mission of the above-mentioned tripartite agreement; For Sweden, the mission added up all the sanctions taken against jobseekers (whether or not they were receiving unemployment insurance).

⁶⁸ Information page on the sanctions imposed by the PCSWs, on the website of the Federal Public Service for Social Integration - [In which cases can the PCSW impose a sanction on a person entitled to the living wage? | SPP Intégration Sociale \(mi-is.be\)](https://www.mi-is.be)

⁶⁹ Average based on federal NEO figures published monthly on its official website <https://www.onem.be/fr/documentation/statistiques/publications-statistiques/chiffres-federaux-des-chomeurs-indemnises/chiffres-federaux-2021>