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## REPORT

# COMPARISON OF PUBLIC EMPLOYMENT SERVICES IN DIFFERENT EUROPEAN COUNTRIES

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## SYNTHESIS

In the context of the prefiguration of France Travail, the mission studied the German, Catalan, Danish, Flemish and Swedish public employment services (PES). The objective of this study was to **identify good practices that could inspire the French PES<sup>1</sup>**. The mission examined **five themes** reflecting the main areas for improvement in the French system: **the coordination of PES actors, the initial diagnosis of the situation of job seekers, the terms of their support, the monitoring of job search, and the provision of services to businesses.**

**The countries and regions studied by the mission have very different PES models** in terms of organization, scope, competencies of public actors, level of outsourcing, strategy towards jobseekers, and resources used. While these differences can be explained by the historical, political and socio-economic context, many lessons can be learned for the French model.

**The organization of the PES studied is less fragmented than the French organization.** Four of the five PES studied have one-stop jobseeker support offices (Catalonia, Denmark, Flanders, Sweden), and the German PES has two support offices with very well-defined boundaries. These countries have generally entrusted PES policy to one or two institutional levels. For example, the German PES has a central operator, the *Bundesagentur für Arbeit*, and an intermunicipal level.

For the target groups studied, France is unique in having three job seeker support offices (Pôle Emploi, departmental integration services, local missions) with no defined accountability framework and three institutional levels involved in designing and implementing the PES<sup>2</sup>. Because of the overlapping competencies of some of the offices, limited data exchange and the absence of effective governance bodies between these actors, this fragmented organization poses problems in terms of coordination of actors, understanding by users and optimization of the resources used. Finally, France is the only country to have a specific window for young people.

**The PES studied have a more directive approach to supporting job seekers overall.** Four of the five PES studied (Germany, Denmark, Flanders and Sweden) have a strategy geared towards a rapid return to work. This is achieved through various methods of diagnosis, support, recourse to vocational training, control and sanctions, which aim to rapidly define realistic objectives for returning to work, to encourage the jobseeker to contact employers regularly and to return to work, even if it does not correspond to his or her initial objectives.

Catalonia and France favor support for the job seeker's project, whether or not this project leads quickly to a job (training, removal of barriers to employment, etc.). This strategy was justified in a context of high unemployment, but seems less relevant today in view of the tensions in certain professions.

**Comparing the human and financial resources of the PES is fraught with difficulties due to differences in scope and levels of outsourcing. However, the resources for supporting job seekers are greater in the countries studied than in France (with the exception of Catalonia), particularly given the lower unemployment rates and higher per capita**

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<sup>1</sup> On benchmarking methodology and best practices in the public sector, see European Network of Public Employment Services, *PES Network Benchlearning Manual*, December 2021 and OECD, *International Benchmarking*, Public Management Service (PUMA), February 1997 and Khurram Bhutta and Faizul Huq, *Benchmarking and best practices: an integrated approach*, *Benchmarking*, An international journal, September 1999.

<sup>2</sup> State, departments and municipalities (which generally chair the local missions). The region is also responsible for financing vocational training for job seekers and for guidance.

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**wealth. The countries studied have also chosen to invest in support for job seekers and have maintained their efforts while unemployment has fallen.**

**The countries studied have similar difficulties in ensuring the integration of all those furthest from employment**, especially those with health, addiction and housing problems. The countries with the highest employment rates are those that have managed to better qualify the distance to employment of those receiving minimum social benefits, to better articulate PES policies and the social policies necessary to support those most in difficulty, often managed at the local level, and that use assisted contracts in the market and non-market sectors to integrate those furthest from employment, whereas France has made less use of them since 2018. Finally, France stands out for the importance it places on removing peripheral barriers to employment.

**These observations, which should be seen in their respective institutional contexts, lead the mission to make a series of recommendations that can be implemented in the short term within the framework of the establishment of France Travail, subject to additional expert work.** These recommendations are based on the following elements:

- ◆ With regard to the general organization of the PES, the mission recommends above all **strengthening the accountability of PES actors**, particularly the départements and local missions, i.e., **transparency** by implementing uniform and transparent statistical reporting of their activities and **accountability** by defining a contractual framework in which each actor commits to quantified and verifiable objectives. The mission proposes to reduce the number of **offices by experimenting with joint structures between the Pôle Emploi, the départements and the local missions** for young people and RSA recipients. Finally, the links between the PES and the youth guidance structures must be strengthened, so that young people have a clearer idea of employment needs before making academic and professional choices;
- ◆ With regard to the initial diagnosis, the mission recommends **improving the measurement of the distance to employment, in particular for RSA and ASS recipients, and adapting their pathways accordingly**. Reducing the time between registration and diagnosis must also be a priority objective for all groups. Registration with the PES should be made mandatory upon notification of dismissal or a few weeks before the end of a fixed-term contract of a certain duration, in order to put in place strategies to avoid unemployment;
- ◆ With regard to support for job seekers, the mission recommends **setting realistic employment objectives that evolve over time and adopting a more directive approach** by linking financed training to a specific employment target and making greater use of short internships in companies. It is also advisable to simplify the various methods of supporting job seekers by **increasing the scope for adaptation at the local level**;
- ◆ With regard to job seekers' compliance with their obligations, the mission recommends **adopting a more progressive scale of sanctions** and applying them more systematically, in particular for failure to attend an appointment or meeting without a valid reason. It also recommends the introduction of a job search diary based on the Swedish model, backed up by sanctions in the event of non-compliance with commitments made by job seekers;
- ◆ With regard to business services, a major issue in all the countries studied, the mission did not identify any distinctive solution, with the exception of the practice, at the local level, of specialized joint "business and job seeker" teams, particularly in sectors under pressure, which it recommends to experiment with.

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**In the future, beyond the France Travail project, if a reform modifying the distribution of competences of the different actors of the PES were to be considered**, it would have to articulate the strengths of a national operator, which guarantees an overall vision and efficient management, and those of its local partners, who have a detailed knowledge of the territory and the capacity to make the link with the social policies that need to be activated for a part of the public.

**The revision of the distribution of competences for the support of all job seekers, whether or not they are RSA beneficiaries, should aim to keep only the national level and a single local level.** This local level should correspond to an existing administrative and institutional entity and should ensure the coordination of the many local actors involved in the pathways of job seekers and make the link with social policies.

It would be desirable, moreover, for each job seeker, whether or not he or she is receiving RSA, to have **a single contact point, which could be managed by a single network or by two separate networks** (as in Germany), if necessary under the aegis of France Travail.

Such a reform, outlined in the conclusion of the report, should be part of a more general reflection on territorial organization and aim to better involve local elected officials and social partners in the governance of the PES, both at national and local levels.

The table below brings together the main elements for comparing the different PES. They are discussed in detail in the report.

**Table 1 Summary of PES comparisons (latest figures available)**

	Indicateur	AL	CAT	DK	FLA	SU	EN	
Allocations	Unemployment insurance	Maximum amount (€/m) <sup>(1)</sup>	2 805	1 098	2 602	2 039	2 526	7 816
		Max. duration (m) <sup>(1)</sup>	12	60	24	Unlimited	10	18
		% of reference income <sup>(1)</sup>	60 %	70%	90 %	65 %	80 %	57 %
		Paid by main operator	Yes	No	No	No	Yes	Yes
		Social minimum per single person (€/m) <sup>(3)</sup>	499	463	490	1 296	393.	599
		Number of allocation offices <sup>(4)</sup>	2	1	24	2	22	2
		Allocation intensity index <sup>(6)</sup>	4	2	5	4	3	4
Accompaniment		National operator with a network <sup>(4)</sup>	Yes	No	No	No	Yes	Yes
		Specialized youth operator <sup>(4)</sup>	No	No	No	No	No	Yes
		Operator specialized in social minima <sup>(4)</sup>	Yes	No	No	No	No	Yes
		Number of institutional levels involved <sup>(4)</sup>	2	2	2	1	1	3
		Number of accompaniment counters <sup>(4)</sup>	2	1	1	1	1	3
		Job first strategy <sup>(4)</sup>	Yes	No	Yes	Yes	Yes	No
		Portfolio (DE close to employment) <sup>(5)</sup>	150	500	100	N.A.	N.D.	400
		Portfolio (DE far from employment) <sup>(5)</sup>	100	400	100	100	N.D.	150
	Support intensity index <sup>(6)</sup>	4	2	5	4	3	3	
Control		Simplified sanction rate (%) <sup>(4)</sup>	28,1	0,0	46,3	13,9	N.D.	11,3
		Control intensity index <sup>(6)</sup>	4	1	5	3	4	2,5
Coordination		Accountability of PES actors <sup>(4)</sup>	Strong	Strong	Strong	Strong	Strong	Low
		PES/other social policies coordination <sup>(4)</sup>	Strong	Low	Strong	Low	Low	Low
		Interconnection of information systems <sup>(4)</sup>	Strong	Low	Strong	Low	Low	Low

*Source:*<sup>(1)</sup> National data (details in the appendices);<sup>(2)</sup> Unédic<sup>(3)</sup> National data (details in the appendices): the minimum social benefits presented in the table are for a single individual and may be increased in some countries by additional aid;<sup>(4)</sup> Mission, based on national data and findings during visits, details in the appendices;<sup>(5)</sup> Mission, based on field findings For France, these are job seekers (DE) in the portfolio. <sup>(6)</sup> The intensity indices reflect a relative scale from 1 to 5 (high intensity). These indices are not based on calculations but reflect the mission's conviction at the end of its work.

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<b>SUMMARY OF PROPOSALS</b>	
<b>Improve governance and coordination of PES actors</b>	
<b>Proposal No. 1</b>	<b>Organize by law a coherent system of accountability for the various actors in the PES (Pôle Emploi, departments, local missions, etc.) within the framework of France Travail, which includes activity and steering data to be transmitted to a central body, annual commitments in figures made within a contractual framework, and corrective measures in the event of results falling short of the commitments made.</b>
<b>Proposal No. 2</b>	<b>Set up a statistical reporting system for activity and management data for all PES actors to ensure the transparency of their performance.</b>
<b>Proposal No. 3</b>	<b>Bringing together the various PES offices. Based on the German model, joint structures between the Pôle Emploi, the départements and the local missions could be tested in pilot areas, for the care of young people and RSA beneficiaries</b>
<b>Proposal No. 4</b>	<b>Bringing together the services in charge of guidance for high school and university students and France Working closely with the regions</b>
<b>Better identify, diagnose and orient job seekers</b>	
<b>Proposal #5</b>	<b>Adopt the concept of unemployment avoidance by supporting people in employment as soon as they are notified of their dismissal or, for people on fixed-term contracts of a certain duration, a few weeks before the end of their contract</b>
<b>Proposal #6</b>	<b>Restructuring the management of job seekers (diagnosis, professional project, action plan) around a few distinct phases and setting realistic and progressive objectives for the job to be taken up</b>
<b>Proposal #7</b>	<b>Better characterize the distance to employment, particularly for RSA and ASS recipients, and adapt their pathways accordingly</b>
<b>Optimize the support of job seekers</b>	
<b>Proposal #8</b>	<b>Adopt a more directive approach to job seeker support based on the "shortest path to employment"</b>
<b>Proposal No. 9</b>	<b>Continuing to develop operational preparation for employment (POE), by linking the services and training financed to a specific employment target</b>
<b>Proposal #10</b>	<b>Make greater use of short internships and work experience placements</b>
<b>Proposal #11</b>	<b>Simplify the various support methods for job seekers so that they are more understandable for the public, by increasing the scope for adaptation at the local level</b>

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<b>Proposal #12</b>	<b>Transforming the "follow-up" mode into "autonomous research" for those who are closest to employment</b>
<b>Proposal #13</b>	<b>Systematically evaluate, six months after their completion, the services and training offered to job seekers by the various PES actors</b>
<b>Ensure more effective monitoring of job search and expand the penalty system</b>	
<b>Proposal #14</b>	<b>Adopt a more progressive scale of sanctions and apply it more systematically, particularly for absence from an appointment or meeting without valid reason</b>
<b>Proposal No. 15</b>	<b>Entrust the initiative for sanctions for insufficient job search to the benefits counselor, which will allow the support counselor to establish a relationship of trust with the job seeker</b>
<b>Proposal No. 16</b>	<b>Introduce a mandatory job search log sent every month to Pôle Emploi, which would be monitored by a national control service</b>
<b>Strengthen business services</b>	
<b>Proposal #17</b>	<b>Strengthen the specialization of business counselors. Mixed sectoral teams (business advisors and employment advisors) closely linked to training centers could be tested in areas with high tension sectors. The methods of implementation should be left to the local level, depending on the number of FTEs per agency and the relationships established with companies in the area</b>

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## INTRODUCTION

On 1<sup>er</sup> August 2022, the Minister of the Economy, Finance and Industrial and Digital Sovereignty and the Minister of Labour, Full Employment and Integration entrusted the General Inspectorate of Finance (IGF) and the General Inspectorate of Social Affairs (IGAS) with the task of carrying out international comparisons on the organization and means of public employment services (PES). The mission letter is attached to this report.

**The mission was conceived in the spring of 2022 as a complement to the IGF-IGAS mission to audit the tripartite agreement of Pôle Emploi**, intended to study the PES in three European countries, including Germany, **around three themes**: the organization and resources of the PES, seeking to establish a correlation between the level and typology of unemployment and the nature and scale of the resources mobilized; the steering of the public service, including measures of the impact of the PES's actions; and finally, the ways in which local authorities and actors in charge of integration and vocational training are involved.

**The launch of the France Travail project at the beginning of September 2022 has changed these objectives.** The sponsors have decided that the mission should henceforth mainly **contribute to the reflections on the evolution of the French PES by identifying the good practices of some PES in European countries in the framework of the France Travail project.**

After field visits by the mission to three departments and discussions with the sponsors, **five priority study topics were defined** based on the main areas for improvement in the French PES (see Box 1). box 1) :

- ◆ the **challenges of coordinating** the actors of the PES, particularly between national operators and local authorities, as well as in terms of information systems;
- ◆ **identification, initial diagnosis** and **orientation** of job seekers;
- ◆ the **modalities of the accompaniment** of the job seekers ;
- ◆ **job search monitoring and related sanctions** ;
- ◆ **the service offer to companies.**

Due to methodological difficulties, mainly related to the great differences in their scope and organization, the resources of the PES (staff and budgets) were estimated in broad strokes by the mission, but no in-depth work was done with the countries studied. Several other topics were not addressed in the report, such as the profile and training of employment counselors, support for people with disabilities, senior citizens, allophone populations, or the role of private placement operators.

### Box 1 Box 1: Areas for improvement of the PES in France

**The France Travail project should make it possible to address certain shortcomings of the French PES. In order to frame and direct its work, the mission sought to identify these main shortcomings.** To do this, it drew on the conclusions of the IGF-IGAS mission to audit the tripartite agreement between the State, Unédic and the employment center, on its discussions with the cabinet of the Ministry of Labor, Full Employment and Integration, with the France Travail prefiguration mission and with Pôle emploi, on its visits to the field, and with Pôle emploi, on its field visits, as well as on its exchanges with other actors of the French PES, notably the association of French regions (ARF), the association of French departments (ADF) and the national union of local missions (UNML). It also took into account the findings of the Public Action 2022 Committee, which are outlined below.

The mission started from the following main weaknesses of the French PES to define its priority themes of study:

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1. **the complexity and lack of overall management of the PES**, which is based on a national operator with an integrated network, 100 departments that manage integration autonomously, and 436 local missions that are largely independent of the other actors;
2. **the lack of interconnected information systems** between the different PES actors and the **absence of consolidated statistics**, which does not provide a good overview of certain PES areas;
3. **the insufficient effectiveness of the control system**, and in particular the ineffectiveness of the "reasonable job offer" criterion;
4. **the difficulty in taking care of people who are far from employment**, particularly young people without jobs or training and the long-term unemployed (especially those receiving ASS and RSA).

*Source: Mission.*

To define the countries to be studied, the mission consulted the Organisation for Economic Co-operation and Development (OECD), the International Labour Office (ILO), the European Public Employment Services network (*PES European network*), the Directorate General of the Treasury (DG Treasury), the General Delegation for Employment and Vocational Training (DGEFP), the International Directorate of Pôle emploi and the social affairs advisors of the French embassies in the countries concerned. Without aiming to select a panel representative of all the PES models existing in Europe, **it took into account the following factors in selecting the countries studied** (cf. table 2) :

- ◆ their membership of the European Union and their geographical location;
- ◆ the size and structure of their economy;
- ◆ the functioning of their labor market and their level of unemployment;
- ◆ the method of unemployment compensation;
- ◆ the operation and organization of their public employment service;
- ◆ the ability to quickly bring together the various actors on site (presence of a social affairs advisor within the embassy's services, relationship with Pôle Emploi).

**Table 2 Comparison of different countries studied in Europe considered by the mission**

	AL	SU	UK	DK	BE	IT	ESP	EN
Population - in millions <sup>(1)</sup>	83,2	10,4	65,6	5,8	11,4	60	47	67,0
Employment rate (2022) <sup>(2)</sup>	77,3 %	77,4 %	75,5 %	76,8 %	66,8 %	60,1 %	64,7 %	68,4 %
Unemployment rate (2022) <sup>(2)</sup>	3,0 %	7,7 %	3,6 %	4,5 %	5,4 %	7,8 %	12,5 %	7,1 %
Maximum duration of compensation <sup>(3)</sup>	12 m	10 m	6 m	24 m	Unlimited	24 m	24 m	18 m
Maximum monthly allowance <sup>(3)</sup>	2 805 €	2 526 €	N.D.	2 602 €	2 039 €	1 360 €	1 098 €	7 816 €
Average contributory unemployment benefit <sup>(3)</sup>	1 056 €	N.D.	348 €	N.D.	N.D.	N.D.	904 €	1 280 €
Similarity of the EPS to the FR model <sup>(4)</sup>	Strong	Medium	Medium	Medium	Low	Low	Low	N.A.
PES autonomy vs. government <sup>(4)</sup>	Medium	Low	Low	Strong	Strong	Strong	Low	Medium
Role of the private sector in the PES <sup>(4)</sup>	Low	Fort	Fort	Low	Fort	Fort	Low	Fort

*Source:*<sup>(1)</sup> Mission,<sup>(2)</sup> OECD October 2022 for the unemployment rate, seasonally adjusted, and Q3 2022 for the employment rate. <sup>(3)</sup> National sources, maximum duration for an unemployment insurance beneficiary excluding exceptions (especially for seniors), new rules applicable in France;<sup>(4)</sup> OECD and PES Network,<sup>(5)</sup> Mission.

Ultimately, the mission chose to study the following five countries or regions:

- ◆ **Germany**, explicitly mentioned in the mission statement, which is a very interesting country for France to compare, because of its size and the existence of a centralized agency with broad competencies in the area of PES and beyond;
- ◆ **Denmark**, whose PES is regularly cited as a model for *flexicurity* and which presents a counterpoint to the French organization, being decentralized with a national coordination agency;
- ◆ **the region of Catalonia in Spain**, whose PES is regionalized and operates in a context of higher unemployment than in France;

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- ◆ **the region of Flanders in Belgium**, whose PES is also regionalized and often cited as an example;
- ◆ **Sweden**, which has an unemployment rate close to the French rate and a centralized national PES operator, and has undergone a reform in 2019 based on a sharp reduction in its workforce and a transfer of its relations with job seekers to private operators.

**First, the mission studied the French PES and prepared field visits to the countries studied.** After discussions with the DGEFP, Pôle emploi and the IGF-IGAS mission auditing the tripartite agreement, it went to Clichy-sous-Bois, Lille and Tours, where it visited local Pôle emploi agencies, departmental services in charge of integration, a local mission, and exchanged views with the deconcentrated State services in charge of employment and integration.

**In a second phase, the mission organized field visits to each of the five countries studied.** It visited :

- ◆ twice in Germany, in Nuremberg from October 19 to 21, 2022 and in Berlin and Brandenburg from November 14 to 17, 2022;
- ◆ twice in Belgian Flanders, in Brussels and Vilvoorde from October 24 to 25, 2022 and in Kortrijk on December 20, 2022;
- ◆ in Copenhagen and Høje-Taastrup, Denmark, November 7-9, 2022;
- ◆ in Barcelona, Vic and Manlleu in Catalonia, Spain, on November 28 and 29, 2022;
- ◆ in Stockholm, Sweden on December 1<sup>er</sup> 2022.

In each country, the mission sought to meet with the management of the main public PES operators, to visit agencies serving jobseekers for discussions with counselors and, where possible, to attend interviews with jobseekers, to meet with other PES actors, including relevant local authorities, and to interact with PES observers. The mission adapted to the situation in each country and documented as precisely as possible the socio-economic context, the organization of the PES and the good practices related to the five priority themes in each country. This work is detailed in each of the five country annexes.

**The mission complemented the visits with exchanges with the foreign PES experts met on the figures used, remote interviews and analyses of the scientific and administrative literature.** Each country annex was sent to the PES experts of the countries visited, who were able to comment and provide clarifications that are included in the report. In total, nearly 200 people were interviewed by the mission.

**The mission worked with the prefiguration mission of France Travail**, with which a point of exchange was held every two weeks.

For its preliminary work and the organization of its trips, **the mission benefited from the support of the Europe and International Relations Department of Pôle emploi**, and the embassies in the countries studied. It also received a contribution from the counsellor for social affairs at our embassy in the United Kingdom, which is attached.

The work of the mission resulted in the drafting of :

- ◆ of this **summary report**;
- ◆ of twelve **annexes**:
  - an appendix to shed light on the socio-economic context of the countries studied, the PES and the support provided to job seekers;
  - six annexes on each of the countries studied, including an annex on the British PES prepared by the Social Affairs Advisor in London;
  - an annex on PES information systems;
  - an annex on the evaluation of PES resources and the comparison of control and sanction systems;

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- an appendix that presents a visualization of the pathways of job seekers in France, Germany, Denmark, and Belgian Flanders;
- an appendix listing the people met by the mission;
- an annex consisting of the mission letter.

The first part of the report presents the role of the PES in the labor market (1.1), the main characteristics of the PES studied by the mission (1.2), and the specificities of the French model compared to others (1.3).

The second part highlights the good practices that the mission observed in the countries studied and that could inspire the French model in the short or medium term. These good practices are presented in the order of the five priority themes chosen by the mission.

### **1. The PES in the countries studied are characterized by a limited number of job-seeker support offices, a strategy geared towards the rapid return to work and a strong directive approach to supporting job-seekers**

#### **1.1. The PES are key institutions in the labor market, but they are only one lever among others in the fight against unemployment**

##### **1.1.1. PES are key labour market institutions, bringing together public and private actors in complex ecosystems**

Three conventions negotiated within the framework of the ILO lay down the principles for the organization and operation of the PES<sup>3</sup>. In accordance with these texts, the main objective of the PES is to bring job seekers into contact with employers. The main tasks of the PES are to receive and inform jobseekers, provide support<sup>4</sup>, pay unemployment benefits, and provide services to employers in terms of prospecting and collecting job offers and recruitment assistance. The PES can sometimes directly manage training centers, be responsible for the guidance and socio-professional integration of young people in the school system, pay *minimum* social benefits, family benefits and allowances for the disabled, approve and supervise private employment agencies or issue work permits. Finally, the PES plays a key role in identifying and facilitating structural changes in the labor market.

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<sup>3</sup> Convention No. 88 of 1948 stipulates that each country must maintain a free public employment service, Convention No. 122 of 1964 defines employment policy, and finally Convention No. 181 of 1997 on private employment agencies recognizes the role of private placement operators. In France, the PES, whose main operator is Pôle Emploi, is governed at the legislative level by Title 1<sup>er</sup> of Book III of the Labor Code.

<sup>4</sup> Support includes guidance, counseling, intermediation and placement in the labor market or in a vocational training program.

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**The PES have become complex ecosystems that now rely on several operators, both public and private.** For example, the Swedish central operator *Arbetsförmedlingen*, a one-stop shop for the PES, relies on a large number of private service providers to whom it has outsourced the support of job seekers. In France, in addition to the State services and Pôle Emploi, the first circle of the PES includes the Association pour l'emploi des cadres (APEC), the Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce (UNEDIC) and the Agence nationale pour la formation professionnelle des adultes (AFPA). In addition, there are the regions, departments, municipalities and local missions for the social and professional integration of young people, as well as organizations for integration through economic activity and private placement operators. Due to the increasingly dynamic nature of the labor markets and the multiplicity of actors involved, the PES has also progressively strengthened its links with the agencies in charge of economic and territorial development and the private and associative sectors.

**The multiplicity of PES missions and organizational modes explains the great diversity of existing models and the difficulty of classifying them.** From one country to another, the boundaries of PES are difficult to identify. In some countries, public PES operators have broader missions, including vocational training, student and job orientation, and the management of other social benefits in addition to unemployment benefits. In other countries, the use of private providers is particularly developed. In all countries, local authorities, associations and private actors play an important role in the PES, and the available statistical tools do not allow for a detailed monitoring of their activity.

**The OECD and PES Network classifications are generally based on a three-dimensional approach: the level of autonomy of PES actors vis-à-vis the government, the role of private providers, and the services provided by public PES operators.** In these models, France is distinguished by the existence of a national operator with a network and tripartite governance, as well as by the consistent use of private providers (see Table 3).

**Table 3 - Organizational models of public PES actors in different OECD countries  
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
<b>Mainly public providers</b>	CYP, JPN, LUX	CZE, CHL, CRI, ISR, SVK	EST, DEU, HRV, PRT, SVN	CHE, DNK	CAN
<b>Private providers offering services to complement public providers</b>	-	BGR, LTU, LVA, MEX, NLD	GRC, ISL, ROU, TUR	COL, ESP	-
<b>Partial or total use of private service providers</b>	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.*

### 1.1.2. The PES contribute to a well-functioning labor market, but are only one of several levers in the fight against unemployment

While the role of the PES in a well-functioning labor market is recognized, a country's employment rate and unemployment rate also depend on many other factors, including (1) the structure and dynamism of the economy and, more generally, macroeconomic policy; (2) its demographics and immigration policy; (3) the performance of the system of initial training and guidance in secondary and tertiary education; (4) the quality of the system of continuing education, apprenticeship, and validation of prior learning; (5) the flexibility of labor law; (6) the level and duration of unemployment benefits and social minima; (7) the retirement age and early retirement and social security schemes; and (8) the quality of the labour market; (5) the flexibility of labor law; (6) the level and duration of unemployment benefits and minimum social benefits; (7) the retirement age and early retirement and disability schemes; (8) targeted policies in favor of specific groups (people with disabilities, young people, senior citizens, non-native speakers of French); (9) all public policies favoring the availability and mobility of the active population (family policy, regional planning); and (10) the quality of social relations and the dynamism of social dialogue.

**These different factors are highly interdependent, which makes it difficult to assess the PES's own role and its support function.** No single indicator, and certainly not the unemployment rate, can be used to judge the activity of a PES as a whole. Its evaluation requires dynamic and multifactorial approaches. The available studies have difficulty comparing systems, as there are too many impact factors, and generally focus on certain specific systems. While most of the available studies show a positive effect of support, **there is no consensus on an optimal PES model.**

## 1.2. The PES in the countries studied are organized according to different models

### 1.2.1. The German PES: a dual system with two networks of support for job seekers largely managed by a national agency, the *Bundesagentur für Arbeit*

Germany has an unemployment rate of 3.0% in October 2022. Unemployment insurance benefit is paid by the *Bundesagentur für Arbeit* for 12 months, with a replacement rate of 60% of the reference wage, capped at €2,805<sup>5</sup>.

**There are two networks for supporting jobseekers**, largely managed by a national agency, the *Bundesagentur für Arbeit*, whose governance is two-thirds in the hands of the social partners:

- ◆ the **156 employment agencies, which are** exclusively dependent on the *Bundesagentur für Arbeit*, accompany jobseekers (approximately 56,000 FTEs for 800,000 jobseekers at the end of 2021) during **the twelve months in which they are covered by contributory unemployment insurance;**

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<sup>5</sup> Figure taken from a Unédic study on compensation in Germany, 2020 - [https://www.unedic.org/sites/default/files/2020-01/Fiche\\_Allemagne\\_decembre\\_2019.pdf](https://www.unedic.org/sites/default/files/2020-01/Fiche_Allemagne_decembre_2019.pdf).



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- ◆ the **406 Jobcenters, which support jobseekers who are not or no longer eligible for contributory unemployment insurance** (1.7 million people at the end of 2021) but for the minimum social benefit, which was merged with unemployment assistance by the Hartz IV law (*Arbeitslosengeld 2 or SGB II*), regardless of their age and distance from employment.
  - 302 *Jobcenters*, or three quarters of the total, are joint structures between the *Landkreise* and *kreisfreie Städte*, the equivalent of the French inter-municipal level<sup>6</sup>, and the *Bundesagentur für Arbeit*, which use the agency's single information system and apply common procedures.
  - In addition, 104 *Jobcenters* are run independently by a *Landkreis* or a *kreisfreie Stadt*, without co-management with the *Bundesagentur für Arbeit*.

The *Bundesagentur für Arbeit*, whose model most closely resembles the Pôle Emploi, employs more than 101,000 full-time equivalents (FTEs), to which must be added approximately 20,000 FTEs in the co-managed *Jobcenters*, which are public territorial agents, and 11,000 FTEs in the *Jobcenters* managed autonomously by the inter-municipal level<sup>7</sup>. The **German PES has remained relatively stable in terms of staffing levels**, with a sharp decline in unemployment in recent years. The number of adult users of the *Bundesagentur für Arbeit*, excluding the management of the family allowance funds, and of the *Jobcenters* is estimated at about 3.6 million<sup>8</sup>. However, this estimate does not reflect the diversity of the degree of support provided to users according to their situation, especially for those who are working and receiving a supplement to the *minimum social benefits*.

There are many sanctions for jobseekers who do not search actively enough for work, but in practice the main sanction, both financial and symbolic, is the switch after twelve months from contributory unemployment insurance, managed by the employment agencies, to *Arbeitslosengeld* (unemployment benefit), managed by the *Jobcenters*.

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<sup>6</sup> Germany has 294 *Landkreise* (called *Kreise* in some parts of the country) and 110 *kreisfreie Städte*. These inter-municipal levels, sometimes called arrondissements in French, represent an intermediate level between the higher levels (*Länder*) and the municipal level (*Gemeinden*).

<sup>7</sup> The reliability of the figures is limited: see Annex IX.

<sup>8</sup> The statistics of the *Bundesagentur für Arbeit* show 754,000 jobseekers receiving unemployment benefit in December 2022, and 2,837,000 "communities of need" - a more empirical definition of a household than the tax household - receiving ALG 2 benefits. These communities refer to 5,645,000 people - an average of two people per community, whether they are "SGB II" jobseekers (1.7 million), people not concerned by the obligation to work (children in particular, 1.6 million people), or workers needing additional income (2.2 million people, a figure obtained by subtraction). If we assume that the *job centers* co-managed by the BA and the local authorities (302 out of 406 centers in Germany) support three quarters of the recipients, this would mean that the job centers support 75 percent of 3.9 million employable adults, i.e. 2.9 million. Added to the 754,000 unemployment insurance recipients, this makes a total of about 3.6 million active users. However, the level of support for working adults is significantly lower than for those considered job seekers.

See <https://statistik.arbeitsagentur.de/DE/Navigation/Statistiken/Fachstatistiken/Grundsicherung-fuer-Arbeitsuchende-SGBII/Aktuelle-Eckwerte-Nav.html;jsessionid=DFE2232AC321B617E00249DD5CEB1578> and <https://statistik.arbeitsagentur.de/>



### Box 2 The *Bürgergeld* reform

On November 25, 2022, the German parliament voted to reform the non-contributory *Arbeitslosengeld II* ("unemployment benefit") and transform it into *Bürgergeld* ("citizen's income"). This reform was foreseen in the coalition agreement (SPD, FDP, Greens) of October 2021. It has been applicable since January 1<sup>er</sup> 2023 and affects jobseekers who do not receive contributory unemployment insurance.

This reform :

- loosens the conditions for the allocation of the allowance, in particular by increasing the maximum asset limits (up to 40,000€ for a single person and 15,000€ for each additional member of the household) to be eligible and by allowing recipients to keep their housing regardless of its size;
- reduces the possible penalties. Whereas they were 20% for three months for the first offence and then directly 30% for three months, the allowance will be reduced by 10% for one month for the first offence, 20% for two months the next and 30% for three months the third time. The coalition wanted to introduce a six-month waiting period before any sanction was imposed on a disrespectful recipient, but the majority of the Bundesrat did not accept this;
- increases benefits (+12%, from €449 to €503 for a single person and €1,598 for a family with two teenagers), and introduces a bonus for recipients undergoing vocational training of €150 per month, which reflects the desire to move to a system based more on incentives and skills upgrading

According to the mission's interlocutors, this reform goes back to the spirit of the *Hartz* reforms, which emphasized a rapid return to work and a strict framework of sanctions. Even if these sanctions were *de facto* rarely applied (*see below*), their very existence helped to mobilize job seekers in their project.

This movement to reduce the conditions for the allocation of benefits and sanctions has only been observed in Germany, the other countries studied being currently engaged in the opposite movement.

*Source: Mission.*

#### 1.2.2. The Danish PES: a one-stop municipal shop in a decentralized but highly integrated system

Denmark has an unemployment rate of 4.5% in October 2022. The voluntary, contributory unemployment insurance benefit is paid by unemployment insurance funds for 24 months, with a replacement rate of 90% of the reference wage, capped at €2,602.

**Unlike in Germany and France, the Danish PES does not rely on a large main operator but is decentralized to the municipalities:** its resources and objectives, defined by law, are implemented by the **country's 98 municipalities** (*Kommune*<sup>9</sup>). In each municipality, a **Jobcenter, a one-stop shop** for the PES, welcomes all groups of people, regardless of their age or distance from employment.

The coherence of the Danish PES is ensured by :

- ◆ a **national agency under the authority of the Ministry of Labor**, the STAR agency, created in 2014, which is responsible for the supervision and control of the PES managed by the municipalities. Each commune commits annually to numerical targets in an annual employment plan. If the municipality deviates from the defined trajectory, it is subject to enhanced supervision by the STAR agency and must commit to an action plan to turn the trend around ;
- ◆ an **information system common to** all the municipalities, which provides precise information on the activity and results of each *Jobcenter*.

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<sup>9</sup> Denmark has two territorial levels, 5 regions (*Region*) and 98 municipalities (*Kommune*). This organization is the result of a constitutional reform in 2007. Before that date, Denmark had 13 regions (*Amter*) and 271 municipalities (*Ærø*).

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The Danish PES has the highest number of staff and financial resources among the countries studied. The *Jobcenters* employ around 10,000 FTEs for 150,000 PES users, not counting the staff of the unemployment insurance funds, which are separate from the Jobcenters, but a reduction in the resources of the PES is included in the new coalition's program.

### Box 3 Box 3: Denmark moves towards a significant reduction in PES resources

In 2022, there was a broad consensus among politicians and social partners on the need to reduce the resources of the PES by 25 to 30 percent by 2030, which would lead to a reduction in the human resources of the *Jobcenters*. This proposal was made in the run-up to the parliamentary elections in November 2022, when the center-right party joined the coalition, which is still led by a social-democratic prime minister.

Critics point to the excessive regulation of municipalities and jobseekers, and to the large number of human resources in the Danish PES, while the number of jobseekers has decreased significantly.

*Source: Mission.*

### 1.2.3. The Flemish PES (Belgium): a one-stop shop, regionalized, which also manages training centers

The Belgian region of Flanders had an unemployment rate of 3.6 percent in the third quarter of 2022, 2.1 percentage points below the national average. Unemployment insurance benefits are paid by the ONEM, a national unemployment insurance fund, for an unlimited period of time but with amounts capped at €2,039 at the outset and then falling rapidly to stabilize at €1,296 after one year.

The Belgian PES is another example of a **decentralized PES at the regional level**<sup>10</sup>. Flanders has entrusted its PES to the **VDAB** agency, **a one-stop shop for job seekers**, which organizes the support of its users in two ways:

- ◆ Jobseekers considered to be the most autonomous only benefit from the digital tools developed by the VDAB. Three contact *centers*, platforms composed of agents, are available by e-mail or by phone if these job seekers need help;
- ◆ the less autonomous are supported in 60 *competence centers*, agencies that bring together teams to support job seekers and training centers.

The VDAB employs 4,500 FTEs. By the end of 2022, the number of users will be approximately 180,000, including online services, but those benefiting from face-to-face support services (placement, *coaching*, training) will be approximately 40,000<sup>11</sup>.

### 1.2.4. The Catalan PES (Spain): a single, regionalized point of contact

Spain's Catalonia has an unemployment rate of 9.3 per cent in October 2022. As in Belgium, the unemployment insurance benefit is paid by a national unemployment insurance fund, the national public employment service (*servicio público de empleo Estatal*, SEPE), for a period ranging from 120 to 720 days, with a replacement rate of 70 percent of the reference wage for 180 days<sup>12</sup>, capped at €1,098, for a job seeker without children.

<sup>10</sup> There are four employment agencies in Belgium, VDAB, Actiris and FOREM, one for each of the three Belgian regions of Flanders, Brussels-Capital and Wallonia, as well as an agency for the German-speaking Community, ADG.

<sup>11</sup> Interview with the general manager of the VDAB, November 2022.

<sup>12</sup> According to a 2020 Unedic memo, this rate increases to 50% thereafter.

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The Spanish PES is **another example of a decentralized PES at the regional level** (*Comunidad autónoma*<sup>13</sup>), which has a number of features in common with the Flemish PES. In Catalonia, the PES is managed by an agency under the authority of the regional government, the SOC. The SOC also involves some municipalities in the implementation of some of the PES tasks, notably the municipality of Barcelona. **69 local SOC agencies** are active in the four provinces of Catalonia.

The SOC employs **1,800 FTEs**, of which 1,026 are in agencies. The SOC and the ECCE share the same premises. The ECCE has approximately 600 FTEs in Catalonia<sup>14</sup>.

**In addition, five municipalities in the region, including Barcelona, have developed their own economic development agency**, which includes a support service for job seekers. The main one, *Barcelona Activa*, had about 460 FTEs in July 2021 and its offer largely overlaps with that of the SOC.

### 1.2.5. The Swedish PES: a centralized and largely outsourced operator in 2019

Sweden has an unemployment rate of 7.7% in October 2022. Unemployment insurance benefit is paid by unemployment insurance funds for 300 days, with a replacement rate of 80% of the reference wage, capped at €2,526.

The Swedish PES is based on *Arbetsförmedlingen*, a centralized national public operator, as in Germany or France, with a network of 112 agencies and about **10,000 employees**.

However, **in 2019, the support of jobseekers has been largely privatized**: the *Arbetsförmedlingen* has reduced its staff by 30% and has delegated the support and placement of jobseekers to approved private service providers. While the *Arbetsförmedlingen* continues to be a one-stop shop for the reception and registration of jobseekers, multiple private operators take over parts of the PES that are provided by public actors in other countries. Jobseekers thus have a choice of several private operators to support them, in line with the objective of the reform.

### 1.2.6. The different models of PES can be explained in part by the institutional and socio-economic diversity of the countries studied

**The geographical, institutional and socio-economic characteristics of the countries studied largely explain the way their PES is organized and operates** (see Table 4). table 4).

**Germany and Belgium are federal states and Spain is a state where the communities, especially Catalonia and the Basque Country, have very extensive powers, whereas Sweden and Denmark are highly decentralized unitary states and France remains a more centralized unitary state.** France, Germany and Sweden have a national public operator, whereas the PES is under the responsibility of the regions in Catalonia and Flanders. In Denmark, the implementation of the PES is entrusted to the 98 municipalities under the leadership of a national coordination agency (STAR). In Germany, the national operator works in close coordination with the intermunicipal level.

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<sup>13</sup> The autonomous communities (*comunidades autónomas*) are the first level of territorial subdivision of the Kingdom of Spain. There are 17 of them, plus the autonomous cities of Ceuta and Melilla, and they all have an internal autonomy regime.

<sup>14</sup> The reliability of ECCE figures is limited: see Annex IX.

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**Labor market performance (employment rates, unemployment rates, including long-term unemployment) varies greatly across country groups and has obvious consequences for the PES.** Germany, Denmark and Flanders have particularly low unemployment rates and high vacancy rates<sup>15</sup>. This allows the PES in these countries to focus their efforts on a limited number of jobseekers and leads them to look increasingly to companies to adapt their recruitment strategies. At the other end of the spectrum, while Catalonia has an unemployment rate of 9.3 percent and a lower vacancy rate, its PES has to manage a much larger number of job seekers against a more limited number of job offers, being in this respect close to France.

**Unionization rates are very high in Denmark and Sweden, at over 65%, and lower in Germany (16.3%), but in all three countries the social partners play a key role in their industrial relations models.** According to the Danish and German interviewees, the important role given to the social partners and local authorities in the governance and management of their PES increases the legitimacy of the measures taken with regard to job seekers, particularly with regard to the directive nature of the support and the strictness of the controls.

**Table 4 Institutional and socio-economic characteristics of the countries studied (2021)**

	AL	ESP (CAT)	DK	BEL (FLA)	SU	EN
Area (thousands km ) <sup>2(1)</sup>	357 600	505 990 (32 114)	44 900	30 668 (13 624)	449 000	551 700
Population (M) <sup>(1)</sup>	83,1	7,6	5,8	6,6	10,4	67,7
Political organization <sup>(1)</sup>	<i>Federal</i>	<i>Quasi-federal</i>	<i>Decentra.</i>	<i>Federal</i>	<i>Decentra.</i>	<i>Centralized</i>
GDP/capita in PPS (k€) <sup>(2)*</sup>	38 600	27 700 (31 110)	43 000	35 200 (35 900)	39 700	33 600
Debt/GDP (%) <sup>(2)</sup>	69 %	118 %*	37 %	108 %*	37 %	113 %*
Unionization rate <sup>(3)</sup>	16,3 %	12,5 %*	67,0 %	49,1 %*	65,2 %	10,8 %
Employment rate <sup>(3)</sup>	77,3%	64,7 %*	76,8 %	66,8 % (76,8 %)	77,4 %	68,7%
ILO unemployment rate <sup>(3)</sup>	3,0 %	12,5 % (9,3 %)	4,5 %	5,4 % (3,6 %)	7,7 %	7,1 %

*Source:*<sup>(1)</sup> Mission,<sup>(2)</sup> Eurostat,<sup>(3)</sup> Employment rate: source OECD, Q3 2022 and unemployment rate: source OECD October 2022 except for Catalonia Idescat Q3 2022 and Flanders (Statbel)

\*Figures for Belgium (instead of Flanders) and Spain (instead of Catalonia) when finer data were not available.

<sup>15</sup> In the German case, the effort of the *Bundesagentur für Arbeit* also focuses on maintaining a high labor force by encouraging labor immigration. Due to demographic aging, the German government anticipates a decline of seven million in the potential labor force by 2035 without labor immigration. According to the forecasts presented to the mission, the *Bundesagentur für Arbeit* is aiming for a net immigration of 400,000 people per year until 2035 to maintain the level of the active population. For example, framework agreements with third countries in certain sectors (e.g., health) have been signed in recent years with Jordan and the Philippines.

### 1.3. The PES in the countries studied are more integrated and directive than the French system

#### 1.3.1. The institutional organization of PES in the countries studied is less fragmented

As regards support for job seekers, Denmark, Flanders and Sweden have set up one-stop shops for support for job seekers, which are under the responsibility of only one or two institutional levels. In Denmark, the state and the STAR agency have a central role in defining the PES strategy, and the municipalities are responsible for implementing it through a one-stop shop, the *Jobcenters*. In Sweden, the system is based on the national operator, *Arbetsförmedlingen*, under the supervision of the State, which is the PES' one-stop shop, even though jobseekers are free to choose the private operator best suited to their needs. In Flanders, jobseeker support is the responsibility of the region, which has set up a one-stop shop, the VDAB. **In Germany, there is a counter for unemployment insurance beneficiaries and a counter for beneficiaries of the minimum social security<sup>16</sup>**, which fall under two institutional levels, the national operator and the intermunicipal level.

**In comparison, France is the only country with so many institutional levels involved and so many job seeker support offices** (cf. table 5). The implementation of PES activation policies is the responsibility of three institutional levels: a national operator (Pôle Emploi), the departments, which accompany a part of the RSA beneficiaries towards employment, and the municipalities and intercommunities, which have a key role in the governance of local missions. **It is also the only country that has a specialized operator for the social and professional integration of young people** (local missions), disabled workers (Cap Emploi, which is in the process of merging with Pôle Emploi) **and executives** (APEC) and, along with Germany, the only country that has a specific operator (the integration services of the départements) responsible, at least in part, for the professional integration of recipients of the general minimum social welfare benefit (the RSA in France)

**As regards the payment of benefits, France has two offices (Pôle Emploi for ASS, ARE and CEJ, and the family allowance offices for RSA), as do Germany, Catalonia and Flanders.** Sweden and Denmark, on the other hand, have numerous unemployment insurance funds, often managed by the unions (cf. table 5).

**This complexity in the support of job seekers is accompanied by a lower level of accountability of the actors in France than in the countries studied**, in particular because of the absence of shared objectives and reliable statistical feedback on the activities of the departments in supporting RSA beneficiaries and the local missions in supporting young people (see 2.1.).

**Coordination with other social policies is better in countries that have entrusted the PES to municipalities (Denmark), or that have created joint structures between the intermunicipal level and the PES operator (Germany).** When the local level, which is generally responsible for social policies to remove peripheral barriers, is not directly involved in the PES, coordination is less effective. Finally, **the weak interconnection of information systems observed in France between support actors is found in the countries studied to varying degrees, but seems to pose fewer problems due to the smaller number of actors involved.**

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<sup>16</sup> The "social minimum" counter welcomes jobseekers who have exhausted their entitlement to unemployment benefit, or who have not paid enough contributions, but also people whose income from work does not allow them to live adequately (e.g. a single person raising children and working part-time) and who can therefore apply for additional income *via* the ALG 2 allowance. See page 12 of the *vademecum* on the social minimum - [https://www.arbeitsagentur.de/datei/merkblatt-algii\\_ba015397.pdf](https://www.arbeitsagentur.de/datei/merkblatt-algii_ba015397.pdf)

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**Table 5 Summary of comparisons of PES organizations**

	Indicator	AL	CAT	DK	FLA	SU	EN
Accompaniment of EDs	Existence of a national operator with a network	Yes	No	No	No	Yes	Yes
	Existence of a specialized youth operator	No	No	No	No	No	Yes
	Existence of an operator specialized in social <i>minima</i>	Yes	No	No	No	No	Yes
	Number of institutional levels involved	2	2	2	1	1	3
	Number of support offices for EDs	2	1	1	1	1	3
Allocations	Unemployment benefits paid / main operator	Yes	No	No	No	Yes	Yes
	Number of allocation offices	2	1	24	2	22	2
Coordination	Accountability of PES actors	Strong	Strong	Strong	Strong	Strong	Low
	Coordination PES / other social policies	Strong	Low	Strong	Low	Low	Low
	Interconnection of information systems	Strong	Low	Strong	Low	Low	Low

*Source: Mission.*

### 1.3.2. The involvement of elected representatives and social partners in the governance of PES is close in the countries studied

The social partners and representatives of local authorities are more closely involved in PES governance in most of the countries studied than in France. This is done in different ways.

**In countries and regions where the PES is decentralized to the regional or municipal level, such as Flanders, Catalonia or Denmark, local elected officials have, by nature, a key role in the management of the PES.** The social partners are also closely involved in the PES in two of these three countries and regions, where the unionization rate is very high:

- ◆ In Flanders, the VDAB board is composed of equal numbers of employee and employer representatives;
- ◆ In Denmark, national rules for the PES are adopted within a tripartite framework (representatives of employees, employers and the state), which has been at the heart of the social model since the late 19th century. An Employment Council, which advises the Minister of Employment on all aspects of the PES, is composed of 20 social partners out of 26 members. 8 regional labor market councils involve 13 social partner representatives out of 21 members. The unemployment insurance funds are also managed entirely by the social partners.

**In Germany, there is a system of co-management within the framework of the social market economy, and the board of directors of the *Bundesagentur für Arbeit* is controlled by the social partners.** It is composed of one-third employee representatives, one-third employer representatives and one-third representatives of public entities, including representatives of the *Länder* and the *Kreise*. In addition, the board of directors has the initiative in naming the director of the national agency, who is appointed by the federal government. At the inter-municipal level, however, the involvement of the social partners in governance is weaker.

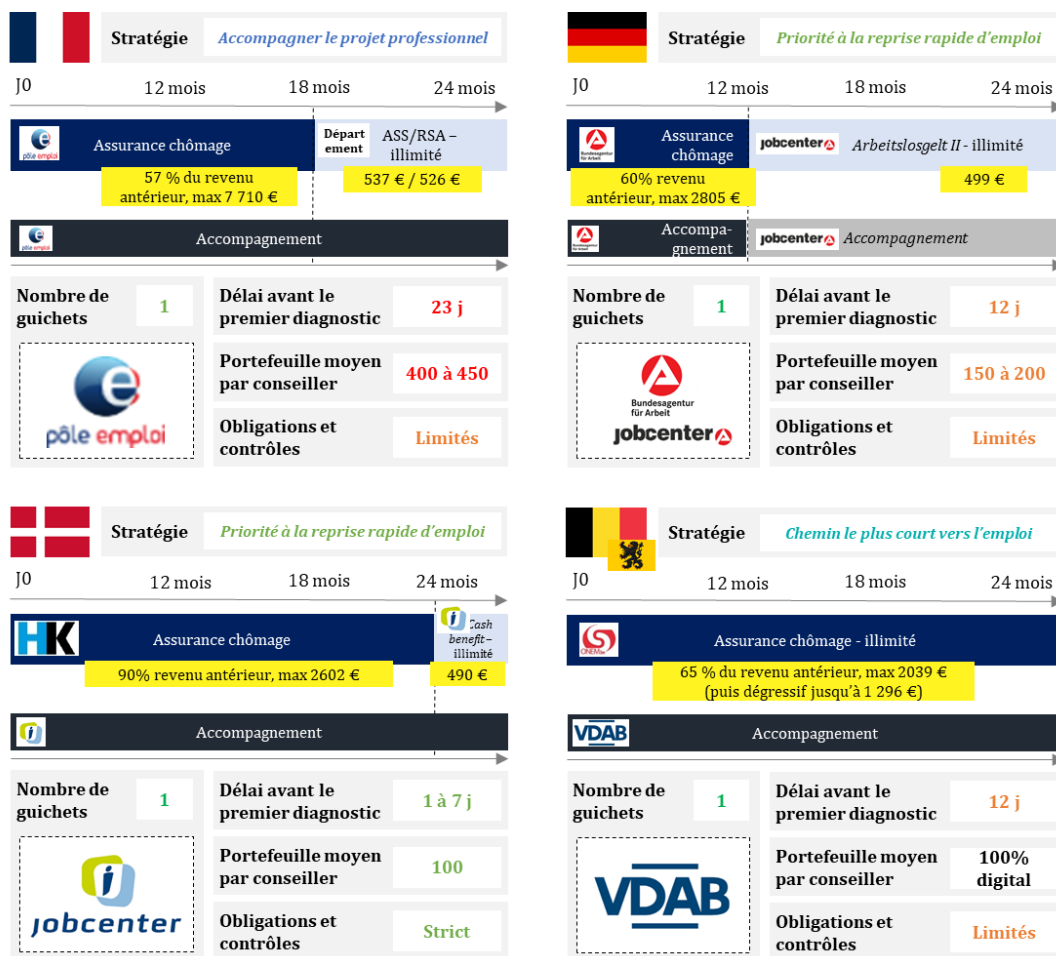
**Sweden does not give a significant place in the governance of its national agency to the social partners, who play a key role in setting social regulations.**



**1.3.3. The general economics of the systems studied combine different levels of benefits, intensity of support, and degree of control**

In comparing the different PES, the mission was faced with two main difficulties: the diversity of models and the heterogeneity of information sources. **In order to construct a vision that is as close as possible to reality, the mission therefore sought to compare the different systems in two complementary ways**, through a systemic vision (cf. table 6) and through user paths<sup>17</sup> (cf. chart 1). Many readings of these comparative data are possible, line by line, by grouping them according to competences, perimeters, organizations, or procedures. Part 2 of the report analyzes a number of specific characteristics of the different models. In what follows, the mission has chosen to focus on the general economics of these PES.

**Chart 1: Pathways of jobseekers close to the labor market and initially receiving contributory unemployment insurance in the countries studied and in France (two other profiles are presented in the appendix: a young person and a beneficiary of minimum social benefits)**



Source: Mission.

Reading note: these diagrams describe the pathway of a user after being notified of dismissal. The strategy refers to the PES priority vis-à-vis the job seeker. The unemployment insurance part describes the benefits for which the jobseeker is eligible and the offices that distribute them. The accompaniment part describes the main accompaniment modalities (counter, diagnosis time, average portfolio per counselor, intensity of obligations and controls).

<sup>17</sup> The mission describes in detail the pathways of three profiles<sup>17</sup> in four countries<sup>17</sup>, which are in a Powerpoint document attached to the report (see Appendix X). The chart 1 above provides a simplified view of the pathway of a job seeker receiving unemployment insurance when he or she becomes unemployed.

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**Three parameters play a key role in the behavior of job seekers receiving benefits: the level of benefits, the intensity of support and the intensity of controls** (cf. table 6 and chart 12).

**The level of benefits** can be approximated by the amount of unemployment insurance benefits, their maximum duration, and the minimum duration of contributions to qualify.

**The intensity of the support** depends on the objectives defined with the jobseeker, the frequency of the meetings -with the counselors and the activation tools offered. The mission found that counselors were more directive in Germany, Denmark, Flanders and Sweden (see 2.3.). These countries give priority to getting the most employable jobseekers back to work as quickly as possible, even if this does not exactly meet their expectations. The criteria for acceptable employment are stricter. As an illustration, the mission found, in discussions with employment counselors, that the maximum commuting time requirements applied were much higher in Denmark (two hours per day, or even more for managers) than in France (one hour, sometimes much less). In France, the mission also noted a more systematic use of workshops<sup>18</sup> (e.g., CV writing) and more frequent referrals to training, with a priority focus on supporting job seekers' professional projects.

In Denmark and Flanders, **the intensity of job search checks** is very high, both in terms of automaticity and frequency and level. In Germany, a discrepancy has been noted between the texts and practice, which is much more flexible, at least for recipients of SGB II (minimum social benefits). In France, this intensity is lower (see 2.4.) than in the countries studied outside Catalonia.

**Table 6 Summary of PES comparisons**

Theme	Indicator	AL	CAT	DK	FLA	SU	EN	
Allocation	Unemployment insurance	Maximum amount (€/m) <sup>(1)</sup>	2 805	1 098	2 602	2 039	2 526	7 816
		Average amount (€/m)	1 056	904	nd	nd	nd	1 280
		Max. duration (m) <sup>(4)</sup>	12	24	24	Unlimited	10	18
		% of reference income <sup>(4)</sup>	60 %	70%	90 %	65 %	80 %	57 %
		Social minimum (€/m) <sup>(2)</sup>	499	463	490	1 296	393	599
		Allocation intensity index <sup>(5)</sup>	4	2	5	4	3	4
Accompaniment		Job first strategy <sup>(3)</sup>	Yes	No	Yes	Yes	Yes	No
		Portfolio (DE close to employment) <sup>(3)</sup>	150	500	100	N.A.	N.D.	400
		Portfolio (DE far from employment) <sup>(3)</sup>	100	400	100	100	N.D.	150
		Support intensity index <sup>(5)</sup>	4	2	5	4	3	3
Control		Simplified sanctions rate of the main operator (in %)	28,1	0,0	46,3	13,9	N.D.	11,3
		Control intensity index <sup>(5)</sup>	4	1	5	3	4	2,5

*Source: Mission. <sup>(1)</sup> National data (details in the annexes). <sup>(2)</sup> National data (details in the annexes): the minimum social benefits presented in the table are for a single individual. These amounts must be taken with caution, since in each country there are many additional benefits that are added to these basic amounts in very different ways, such as housing benefits or heating benefits. <sup>(3)</sup> Mission, based on national data and findings during visits, details in the annexes. <sup>(4)</sup> Mission, based on national data. <sup>(5)</sup> The intensity indices reflect a relative scale that compares the six PES (not an absolute judgment of the PES) from 1 (low intensity) to 5 (high intensity). These indices reflect the mission's conviction at the conclusion of its work.*

<sup>18</sup> These workshops are job search oriented, but, as the mission found, they can also postpone the immediate job search until the workshop is organized.

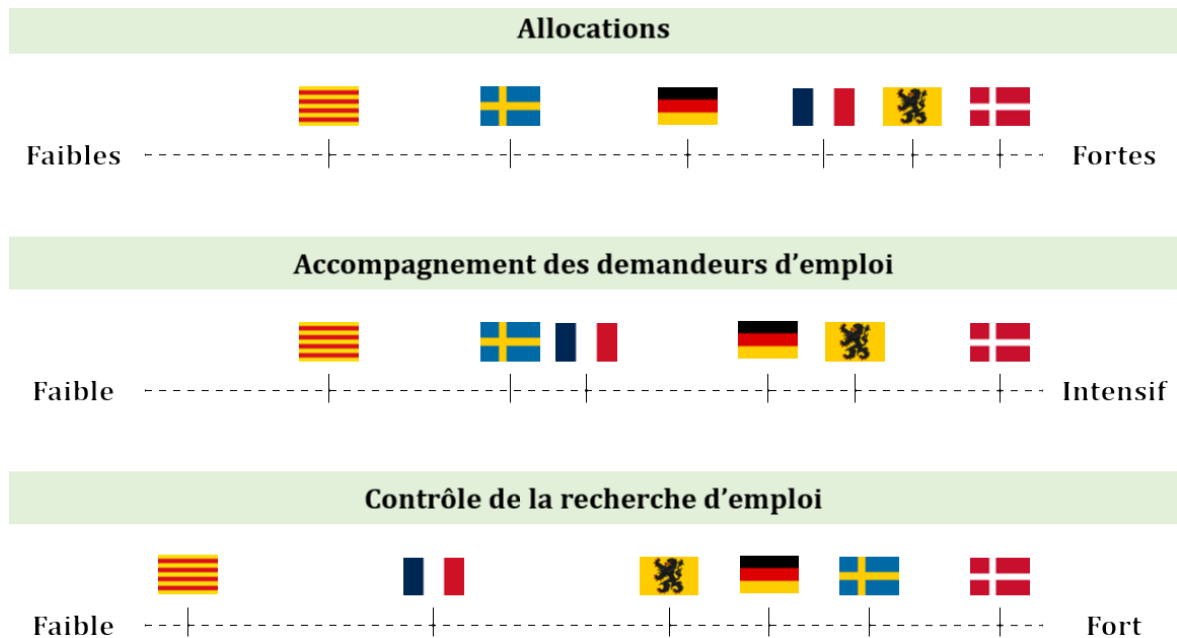


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The intersection of these three parameters reveals three groups of countries (cf. chart 2) :

- ◆ Denmark has set up the most coherent system, with high benefits (ceiling and duration), intensive support for jobseekers and strict control of the effectiveness of the job search<sup>19</sup> ;
- ◆ Germany, Sweden and Flanders have relatively high benefits, relatively intensive support and intermediate control of the effectiveness of the job search;
- ◆ France, like Catalonia, has a configuration that combines relatively high benefits (duration and/or ceiling) and moderately directive support. The level of controls and sanctions in France is low, but has recently come closer to the level in Flanders, at least for those registered with Pôle Emploi who can be removed from the register<sup>20</sup> . Catalonia still maintains a moratorium on sanctions for job seekers since the health crisis<sup>21</sup> .

Chart 2 Level of benefits and intensity of support and monitoring in the different PES studied by the mission



*Source: Mission.*

<sup>19</sup> Although the mission was unable to trace its precise evolution, it seems that the generosity of the benefits has been eroded in recent years. However, the replacement rate of the reference salary and the duration of the benefit payments remain high.

<sup>20</sup> On the other hand, and even though there are no consolidated national statistics on this subject, the level of sanctions for recipients of the active solidarity income (RSA) remains low. For example, as indicated in a report by the Cour des Comptes, the Gironde department issued only 2,600 sanctions per year on average between 2014 and 2019, out of an average of about 40,000 recipients (simplified sanction rate of 6 percent). See Cour des comptes, *Le revenu de solidarité active*, January 2022.

<sup>21</sup> Visit to Barcelona on November 28 and 29, 2022.

**1.3.4. None of the PES in the countries studied has found particularly effective solutions for the professional integration of those who are furthest from employment**

None of the countries studied has found particularly effective solutions to the major concern, particularly in France, of reintegrating people who are very far from employment, especially those affected by health, addiction or housing problems. The mission was able to observe that the reintegration tools used abroad are often similar to those used in France (structures for integration through economic activity, assisted contracts in the market or non-market sector). However, assisted contracts in the market sector are still more important in Germany and Denmark.

The real difference between France and countries such as Germany or Denmark lies in the way these populations are taken care of. Single structures (*Jobcenters* in Germany) deal with the social and professional aspects of integration, whereas in France, Pôle emploi and the integration services of the départements, but also the CAFs for housing and social action, and the municipalities for social assistance, have overlapping responsibilities. However, as in France, the responsibility for health care issues is most often assigned to other institutions.

However, some peripheral obstacles seem to be less of a problem in several of the countries studied than in France. Childcare is not considered an obstacle to returning to work in Sweden or Denmark, where municipalities are obliged to provide childcare for children over one year old, and even in Germany, where the supply of childcare has increased. Similarly, the issue of mobility is not considered structurally problematic in Denmark and Flanders because of a well-organized public transport system.

Finally, the share of young people who are neither in school, nor in employment, nor in training is particularly high in France compared to the countries studied, as shown in Box 4.

**Box 4 The particular situation of young job seekers in France**

France stands out among the countries studied for the high number of young people who are neither in school, nor in employment, nor in training (see table below). The proportion of young people concerned is double that in Sweden and 50% higher than in Denmark. An analysis of the causes and consequences of this phenomenon would require a specific report.

**Table 7 Share of young people aged 15-29 not in education, employment or training in 2021 (NEETS)**

Country	Germany	Belgium	Denmark	Spain	Sweden	France
Share of NEETS	9,20%	10,10%	8,40%	14,10%	6,00%	12,80%
Comparison base 100 France	72	79	66	110	47	100

Source: Eurostat.

Unlike in France, in Germany, Denmark, Flanders and Sweden, and in almost all other EU member states<sup>22</sup>, minimum social benefits are available from the age of 18, or even earlier (15 in Germany). The payment of these benefits is conditional on registration with the PES and active search for a return to education or employment, according to different modalities. In Flanders, for example, the aid is only paid after two interviews with a counselor who has validated the young person's motivation and the relevance of his or her efforts. This automatic payment of minimum social benefits has the great advantage of leading young people to call on the PES more naturally and systematically.

<sup>22</sup> Cf. CNAF. Missions des relations européennes, internationales et de la coopération. *Les minima sociaux au sein de l'union européenne*. December 2020.

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In France, a different policy choice has been made since the creation of the Revenu minimum d'insertion (RMI) and then the RSA. The minimum social benefit is only available to people who are at least 25 years old, with the exception of young working people aged 18 to 24 if they are single parents, pregnant people or those with at least one child, or those who can prove that they have been working full-time for two years out of the last three years. In total, only 5% of RSA recipients are under 25 years old.

France's original situation is now tempered somewhat by the Contrat Engagement Jeune (CEJ), which offers young people under 26 years of age who are permanently unemployed and untrained and who wish to actively engage in a pathway to employment personalized support including a minimum of 15 to 20 hours of activity per week as well as an allowance of between €200 (for minors) and €500 depending on the resources of the household to which they belong for a period of 12 or even 18 months. By the end of November 2022, 250,260 young people had entered CEJ.

Pôle Emploi has decided to limit the portfolio of young people followed by a Pôle Emploi counselor to 30 young people in CEJ as of March 1<sup>er</sup> 2022, which is an unprecedented decision. The other network, that of the local missions, has not followed this path: each counselor follows about 50 young people in CEJ, to which are added about a hundred other young people, regardless of their status (PACEA, other...)

*Source: Mission.*

### 1.3.5. Since the comparison of PES resources and budgets is fraught with difficulties, the mission can only note that the PES in countries with the lowest levels of unemployment are relatively better endowed

**The comparative evaluation of the budgetary and human resources of the PES is fraught with major difficulties**, as already highlighted by a 2010 IGF mission<sup>23</sup>.

**The scope and level of outsourcing of PES varies greatly from one country to another.** It is therefore very complicated to define comparable aggregates. The main PES operators in the countries studied have, for example, very different missions from one country to another and very different levels of recourse to private service providers (see Table 8). For example, the Danish *Jobcenters*, a one-stop shop for jobseeker support with very little recourse to private service providers, account for almost all the FTEs in charge of jobseeker support in the Danish PES. In contrast, Pôle Emploi only accounts for a portion of the FTEs in charge of supporting job seekers 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.

**Table 8 Missions entrusted to the main PES operator and intensity of use of private providers**

		AL	CAT	DK	FL	SU	EN
Missions entrusted to the principal operator of the PES <sup>(1)</sup>	Home-information	X	X	X	X	X	X
	Support and implementation of ALMPs	X	X	X	X	X	X
	ED compensation	X				X	X
	Direct management of training centers		X		X		
	Youth Orientation	X					
	Payment of minimum social benefits	X		X		X	
	Payment of family allowances	X					
Intensity of use of private providers (1 low to 4 high) <sup>(2)</sup>		1	2	1	3	4	3

*Source:*<sup>(1)</sup> Mission;<sup>(2)</sup> OECD, cf. table 3.

*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.

<sup>23</sup> Comparative study of public employment services in France, Germany and the United Kingdom, IGF, 2010.

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**To overcome these difficulties of scope and outsourcing, the mission sought to estimate two elements: the number of FTEs of the various PES actors, and the budget of private service providers to which the PES has recourse** (for support or training missions, the limit between the two being tenuous and varying from one country to another, the mission sought to add the two). A comparison of these three elements would have provided a rough approximation of the general resources of the PES in the countries studied.

**Data are rarely available and, when they are, are of limited reliability.** When documents are available, the financial and HR headings differ widely from one country to another, making it impossible to perform most of the documentary cross-analyses. With regard to budgets, **the mission was unable to collect sufficiently reliable financial data to estimate the outsourcing budgets for services and training in the countries studied. With regard to human resources, the task force only has usable data for France (good reliability), Germany (good reliability), and Catalonia (average reliability).**

**In order to compare the human resources of the PES studied, the mission sought to estimate the number of FTEs of the main operator, the number of FTEs of the other public PES operators in the countries studied, and the level of outsourcing in each PES** (see Table 9). It compared these data with the active population of the countries concerned, since the comparison with the unemployed population is biased by very different unemployment rates from one country to another. It also compared these data to the number of registrants with the main operator. These comparisons have many limitations. For example, depending on the country, those registered include people in partial or full employment, who generally do not have the same support needs as job seekers.

**The mission cautiously estimates that Denmark currently has the best staffed PES, ahead of Germany and Flanders, followed by France and, far behind, Catalonia.** The very high level of outsourcing of the Swedish PES and the limited data available to the mission do not allow it to draw conclusions about this country. Furthermore, the mission was unable to establish estimates of the proportion of those registered with the main operator who are really active in their job search and who participate in support actions.

According to the mission, these differences in the intensity of human and budgetary resources per jobseeker are mainly explained by differences in unemployment rates. In Denmark, Germany and Flanders, the drop in unemployment has made it possible to significantly reduce the budgets for jobseekers' benefits, but the high level of policies to support jobseekers has been maintained.

**Table 9 Assessment of FTEs involved in PES in the countries studied**

Country	ALL	CAT	DK	FL	SUE	EN
FTE Main Operator (1)	95 000	1 800	12 000	4 500	11 000	52 500
FTEs involved in the PES excluding the main operator and private sector (2)	25 500	1 100	N.D.	5 100	N.D.	19 800
Reliability of (2)	3	2	N.A.	2	N.A.	3
Total FTE PES (1)+(2)	123 00	2 900	12 400	9 600	Min 11 000	73 800
Working population (15-64 years)	41 674 000	3 772 000	2 938 000	3 388 000	5 334 000	29 620 000
Labor force / total FTEs PES	340	1 310	240	350	Max 500	400

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Country	ALL	CAT	DK	FL	SUE	EN
Number of registrants to the main operator	3 621 000	369 158	N.D.	182 255	N.D.	5 153 000 <sup>24</sup>
Registered / FTE Lead Operator	40	200	N.D.	40	N.D.	100
Estimated degree of outsourcing	Low	Moderate	Low	Moderate	Very strong	Fort

*Source: Eurostat; national data (details in annexes); Mission. Reliability is rated from 1 to 4 depending on data availability.*

### Box 5 OECD and European Commission data

The OECD and the European Commission publish data on expenditures on "labor market services," which are the operating expenditures of the PES in a different sense than that used by the mission<sup>25</sup>. For example, departmental expenditures for the professional integration of RSA beneficiaries are not taken into account for France. On average, this expenditure represented 0.19% of GDP in 2019, before the Covid epidemic, in the European Union of 27. In the countries surveyed, they ranged from 0.13% of GDP in Germany to 0.28% of GDP in Denmark. France was in second place (0.26% of GDP), followed by Spain (0.22% of GDP), Belgium (0.20% of GDP) and Sweden (0.14% of GDP).

If these PES operating expenses, as estimated by the European Commission and the OECD, are related to the "number of people wanting to work", i.e. the number of unemployed people as defined by the ILO plus inactive people who want to work but are not actively looking for a job and are not immediately available for work, Germany is in the lead (€3,150), followed by Denmark and Belgium (€2,300). France and Sweden are far behind (1,300€), with Spain at the bottom (400€).

OECD and European Commission data also show that **France has the highest ratio of passive (unemployment compensation) to active (job-seeker activation) spending in the sample** (3.9 versus 2.7 in Germany and 0.6 in Denmark and Sweden). See details in Annex 1.

*Source: European Commission. Labour market policy. Expenditure and participants. Data 2019. 2021*

### 1.3.6. The countries studied have regularly adopted profound reforms of their PES, demonstrating that no country is assigned to one model

**The countries studied have implemented profound reforms of their PES over the last thirty years**, often in conjunction with territorial reforms:

- ◆ from 2007, Denmark moved from a PES organized around a centralized national operator to a decentralized model, entrusting all PES implementation to the 98 municipalities. This decentralization was accompanied, in 2014, by the establishment of a national coordination agency, the STAR agency, responsible for the supervision and control of the municipalities, which ensures the transparency of the system and the accountability of the actors;
- ◆ In January 2003, the Hartz III law created a new national operator, the *Bundesagentur für Arbeit*, based on an operator created in 1927, and in January 2005, the Hartz IV law created joint entities between the *Bundesagentur für Arbeit* and the inter-municipal level, the *Jobcenters*, which were responsible for supporting recipients of social minima, whereas until then they had only been supported by the inter-municipal level;

<sup>24</sup> Pôle Emploi statistics (categories A, B, C) - <https://statistiques.pole-emploi.org/stmt/publication>.

<sup>25</sup> The precise definition given by the OECD is: "the provision by public providers (or private providers receiving public subsidies) of counseling and case management services to job seekers, assistance with the costs of job search or job-related geographic mobility, and placement and similar services to employers, including similar services provided by private providers with public financial participation. Also included in this category is the administration of benefits such as unemployment benefits, job retention schemes, and severance or bankruptcy pay."

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- ◆ In Spain, with the exception of unemployment compensation, the PES was decentralized to the autonomous communities in 2002, when the SOC, the regional operator of the Catalan PES, was created;
- ◆ In Flanders, the VDAB was created in 1989 as part of the "third reform of the Belgian state" which gave the regions the competencies for job placement and labour market information. In 2004, the VDAB acquired legal autonomy from the Flemish government, although the latter appoints its director general. Vocational training was decentralized to the regions in 2016;
- ◆ in contrast to the decentralization movement in Spain and Belgium, the Swedish national agency, *Arbetsförmedlingen*, was created in 2007 by recentralizing the competencies of the country's 21 regions. In 2019, *Arbetsförmedlingen* was deeply restructured by liberalizing the support of job seekers and outsourcing a large part of its activity, as well as reducing its workforce by around 30%.

### **The reforms that have had the greatest impact on PES performance and the unemployment rate have been in the context of broader labor market reforms:**

- ◆ the reforms of the 1990s in Denmark, which led to the implementation of a *flexicurity* system, based on liberal labour law with few restrictions on dismissals, generous unemployment benefits and a very proactive policy of activating job seekers, based on intensive support and numerous sanctions;
- ◆ the **Hartz reforms** in the first half of the 2000s in Germany, which led to strong wage moderation and a limitation of the duration of unemployment insurance, encouraging a rapid return to work.

In both countries, unemployment rates fell sharply in the period following these reforms.

**Compared to these reforms, the recent reforms of the French PES are less politically ambitious.** The merger of the ANPE and Assedic in 2008, the merger of Pôle Emploi and Cap Emploi in 2021 and the implementation of the Contrat d'engagement jeune (CEJ) from March 2022 are significant and complex reforms, but they have not significantly reduced the number of institutional actors involved.

## 2. The PES of the countries studied provide many examples of good practices that France Travail could learn from

The mission's proposals are based on the good practices observed in the countries studied and on the analysis of the weaknesses identified in the PES in France. The mission has chosen to be precise. Its proposals are the basis for work which, if necessary, will require further work to adapt to the French context.

### 2.1. Improve governance and coordination of PES actors

#### 2.1.1. Better organizing the accountability of local governments

**Local governments in the countries studied have a clear and accepted accountability framework.**

**Denmark (see box 6) and Germany (cf. box 7) have devolved all or part of the PES to the municipal or inter-municipal level and have succeeded in establishing an effective accountability framework for these actors.** In both countries, the :

- ◆ sets out the data that local authorities must include in their information systems and provide to the Danish agency STAR and the *Bundesagentur für Arbeit*, thus ensuring transparency of information. The municipalities are grouped into clusters with similar socio-economic characteristics, which makes it possible to compare them and to organize the sharing of good practices;
- ◆ requires the intermunicipal level to commit to indicators and quantified objectives with the STAR agency in Denmark and with the *Länder* in Germany;
- ◆ provides for mechanisms to adjust activity if results deviate from targets. In both countries, in the event of slippage, municipalities must present and implement action plans. In Denmark, the law provides that, as a last resort, a municipality's employment services can be placed under the supervision of the ministry.

**France is characterized by a lack of transparency on the actions of some PES actors.** Data on the activation of RSA beneficiaries and young people followed by local missions outside of specific contracts (youth guarantee, CEJ) are limited, notably due to the lack of an operational network head, and there is currently no effective mechanism for steering these actors to monitor their activity, control them, share best practices and develop action plans in the event that results fall short of commitments made

**Proposal No. 1 Organize by law a coherent accountability system for the different actors of the PES (Pôle Emploi, departments, local missions, etc.) within the framework of France Travail, which includes activity and steering data to be transmitted to a central body, annual quantified commitments made within a contractual framework, and corrective measures in the event of results falling short of the commitments made.**



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### Box 6 Accountability of municipalities that manage the PES autonomously (Denmark)

Municipalities are responsible for implementing the PES<sup>26</sup> within the strategic framework set by the ministry and the STAR agency. While they are free in the organization of each local PES<sup>27</sup>, a system of commitment and control sets a tight accountability framework for the municipalities:

- Municipalities must have an **annual employment plan**, which includes an assessment of the *Jobcenter's* performance over the previous year and a description of the year's objectives, the organization of its resources and its organization at the local level;
- the municipalities must enter all information on jobseekers and data on support and job search on the *Jobnet.dk* platform<sup>28</sup>. This unique database allows for centralized information and continuous reporting on the employment situation in the municipalities;
- controls are carried out by the STAR agency, which also evaluates and compares the performance of the *Jobcenters*. Checks can also be targeted audits, commissioned directly by the Ministry of Employment.

**The law provides for sanctions against municipalities that fail to meet the targets set by the department and the annual employment plan.** In the first instance, they may be subject to an assistance mission by the STAR agency. In the second stage, if the results are not sufficient, the municipalities can be placed under the control of the Ministry of Employment.

*Source: Denmark trip, legislative texts, STAR website.*

### Box 7 Accountability of inter-municipalities that manage the PES autonomously (Germany)

In Germany, **one third of the 400 Jobcenters**, which support inactive people receiving *Arbeitslosgeld* (the equivalent of RSA), are **run autonomously by the Kreise and Kreisfrei Städte** (the intermunicipal level). These inter-municipalities must :

- sign a contract with their *Land*, which defines the objectives to be achieved;
- In addition to the above, there is also the possibility of providing the *Bundesagentur für Arbeit* with precise statistics on their activities every month (see text of the law *below*). A common database (XMTH) allows for a comparison of the activities of all *job centers* in the country.

#### Excerpt from § 53 of the second social book

##### *§53 Statistics and statistical reporting*

**(1) The Federal Agency shall compile statistics on the basis of the data it receives in connection with the implementation of basic insurance for jobseekers in accordance with section 51b and on the basis of the data submitted to it by the municipal bodies and the approved municipal bodies in accordance with section 51b. It shall be responsible for permanent reports and shall integrate the benefits provided for in this Book into labour market research and vocational training.**

**(2) The Federal Ministry of Labour and Social Affairs may specify the nature and scope as well as the specific features and characteristics of the statistics and reports. (...).**

*Source: Bundesagentur für Arbeit; Gesetze im Internet.*

<sup>26</sup> LBK n°1294, of 20/09/2022, Title I, Chapter 1, article 1

<sup>27</sup> LBK n°1294 of 20/09/2022, Title I, Section II, Chapter 2, article 6

<sup>28</sup> The Ministry of Employment coordinates the computer system used by the entire PES. The Ministry of Employment sets the rules for the use of the IT systems by the actors of the PES and can impose an organization of these systems (LBK n°1294 of 20/09/2022, Title IV, Chapter 7, article 50).



### 2.1.2. Implement effective data sharing and steering

Denmark has centralized part of the PES information system, entrusted to the STAR agency, which thus has a **centralized statistical monitoring tool**. The agency publishes *Jobindsats.dk*, a tool for evaluating and monitoring the performance of *job centers*. The tool makes it possible to monitor the activity of each *Jobcenter*. It is also used to produce, at an aggregate level, statistical data on the labor market and provide a basis for analysis and evaluation of employment policies. *Jobindsats* is based on a statistical data warehouse fed by STAR data (from the *Jobcenters*) as well as data from the State, training centers and other public providers related to the labor market.

**Germany has introduced statistical reporting requirements to ensure transparency in the management of the various PES actors.** Inter-municipalities that manage their *Jobcenter* autonomously must provide precise statistical data describing their activity.

The German example shows that the implementation of a common *reporting* database is feasible even when the actors use separate information systems, as long as the actors agree on the methods for calculating the indicators and on the protocols for data transfer.

**Proposal No. 2 To set up a system of statistical feedback of activity and management data for all PES actors in order to ensure the transparency of their performance.**

### 2.1.3. Improve the reconciliation of tracking data in pathway management, through common tools and platforms

The question of interoperability of information systems of support actors is raised in all the countries studied. Solutions have been implemented combining :

- **the implementation of a common software** (Denmark, Germany, Belgium), which guarantees a single data and allows to homogenize the working methods through the use of the same tool. The functionalities concerned are more or less extensive, ranging from almost complete management of the job seeker's career path in Germany, to more limited solutions such as *jobnet* for job searches in Denmark.
- **shared data platforms**, managed by dedicated operators (Denmark). Users are grouped around a shared data but continue to use their own information systems, which are interfaced. These data tend to be administrative and/or financial (civil status, open rights, etc.).

These two solutions are not mutually exclusive and can be combined. Denmark has the most effective coverage, with all municipalities using the *jobnet* tool for job offers (search, application), and shared databases for follow-up and support.

In the other countries, problems of heterogeneity of information systems persist. In Germany, for example, a quarter of the *Jobcenters* use their own information system, without interfacing with the *Bundesagentur für Arbeit*. In Flanders, the data exchange between the VDAB and the municipalities (OCMW) has been presented as an area for improvement.

Despite this observation, **the operators seem determined not to push forward with the interoperability of information systems**, which has never been presented as a strategic priority, contrary to the ambitions mentioned for France Travail. **No plans to create a "single" information system** - or at least one that is common to all support actors - have been mentioned.

#### 2.1.4. Limit the number of job seeker support offices

**Denmark, Flanders, Sweden and Catalonia have a one-stop shop for jobseekers**, although their models are very different. In Denmark, the PES is decentralized at the level of municipalities with a national coordination agency with important prerogatives; in Sweden, the PES is centralized in a national agency that outsources a large part of its activity to private actors; in Flanders and Catalonia, the PES is decentralized at the level of regions without a national coordination agency. Within these different networks, there are programs or networks that specialize in supporting different groups (see *below*).

**Germany has two networks for supporting jobseekers, with very clearly defined perimeters:** the *Arbeitsagentur*, which are exclusively under the authority of the *Bundesagentur für Arbeit*, the national agency, support beneficiaries of unemployment insurance, whose benefit is paid for twelve months, and the *Jobcenters* support beneficiaries of the minimum social security benefit (SGBII), which takes over for people who are able to work for at least three hours a day. In most cases, these structures have organized joint structures between the *Arbeitsagentur* and the *Jobcenters* for the support of young people, the *Jugendberufagentur*. These structures concentrate all services for young people in one place (cf. box 8).

**France is the only country studied to have three<sup>29</sup> major job-seeker support offices, and the only country to have an independent network specializing in support for young people**, to which must be added many other actors who intervene to remove peripheral obstacles and the regions in charge of guidance and training.

**In addition, the boundaries between the three actors are blurred and vary according to the territory.** Some départements have set up services to help RSA recipients find employment, which are similar to the services offered by Pôle emploi to these same people. With regard to young people, the local missions and Pôle emploi are operators of the youth employment contract (CEJ), although the dividing line is not very clear according to the mission's visits and the progress report on the CEJ<sup>30</sup>.

In contrast to the situation in the countries studied, during its discussions with stakeholders, the mission noted a high level of mistrust between the different actors of the PES in France, opposing the advocates of a centralized national agency model, which would be more efficient and transparent, to the advocates of a decentralized model, which would be closer to the users and the needs of the territory.

**Proposal No. 3 Bring together the various PES offices. Based on the German model, joint structures between the Pôle Emploi, the départements and the local missions could be tested in pilot areas, for the care of young people and recipients of the RSA and ASS.**

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<sup>29</sup> Pôle Emploi, the departments' integration services and the local missions. To these could be added Cap Emploi, which is in the process of merging with Pôle Emploi, as well as APEC. However, as the mission did not study the support for people with disabilities in the countries studied, it does not include Cap Emploi in the count for France. This is also the case for APEC, which has complementary missions to those of Pôle Emploi for executives, a population not specifically studied in the report.

<sup>30</sup> There is a general guideline according to the circular of February 21, 2022: at Pôle emploi, young people closest to employment, at the local missions, minors and young people with the most "peripheral obstacles to employment". However, the circular adds *in fine* that each young person can choose the structure that will follow him or her.

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In addition, in Germany, the *Bundesagentur für Arbeit* is responsible for the guidance of high school and university students, and the activity of job centers and agencies with teenagers is measured by a performance indicator (box 8). It is responsible for providing information on the various career options and for matching apprenticeship positions. It is thus an essential part of the transition from education to employment, for which the efficiency of the German system is recognized. In the same spirit, as in Germany and in the Grand Est region, where an experiment is underway, it would be appropriate to bring together school and university guidance services (information and guidance centers, joint university services for information, guidance and professional integration and ONISEP) and France Travail, in close cooperation with the regions.

**Proposal No. 4 Bring together the services in charge of guidance for high school and university students (CIOs and ONISEP) and France Work closely with the regions.**

### Box 8 Support for young people in Germany

The *Bundesagentur für Arbeit* is responsible for the orientation of young people towards the labor market. In this capacity, it intervenes in educational institutions, welcomes young people and advises them on their future by informing them on the needs of the labor market. It is in charge of placing young people seeking an apprenticeship in conjunction with companies. Finally, it is responsible for supporting young people who are not working and who can receive a minimum income from the age of 15.

- In three out of four cases, the *Bundesagentur für Arbeit* is also co-responsible for the payment of the minimum income, in co-management with the intermunicipal level;
- In one out of four cases, the *Bundesagentur für Arbeit* retains the responsibility for the orientation of young people, but the social care is carried out independently by the municipality. In this case, there are two counters for young people.

In 90% of the country, specialized one-stop shops for young people have been set up, the *Jugendberufagentur* (JBA). These services concentrate all employment and social support services for young people. In municipalities co-managed with the *Bundesagentur für Arbeit* for SGB II groups, these JBAs are integrated into the management systems of the *Bundesagentur für Arbeit*.

*Source: BA dedicated web pages; Mission.*

## 2.2. Better identify, diagnose and orient job seekers

### 2.2.1. Adopting the concept of "unemployment avoidance"

In Germany, a significant proportion of jobseekers are identified as soon as a possible job loss is reported. This triggers intensive support to return to work immediately, even before they become unemployed. The local employment agencies have the capacity to act upstream since :

- ◆ The legal time limit for notification of dismissal is several weeks and can reach several months depending on the sector;
- ◆ jobseekers are legally obliged<sup>31</sup> to register with the *Bundesagentur für Arbeit* within three days after receiving the notice of dismissal<sup>32</sup>, in order to receive the contribution allowances;
- ◆ Companies planning to lay off a certain number of employees are obliged to report this to the *Bundesagentur für Arbeit*.

<sup>31</sup> § 38 of the third book of the Social Code.

<sup>32</sup> If it is effective from a date more than 3 months from the day in question.

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People with fixed-term contracts are also required to register with the *Bundesagentur für Arbeit* three months before the end of their contract.

**In return, agencies are required to "immediately" arrange an initial counseling and placement interview with the enrollee upon receipt of the notification<sup>33</sup>.**

**Unemployment avoidance is thus one of the main indicators of success for agencies in charge of people receiving unemployment insurance.** This indicator estimates the number of people who voluntarily or involuntarily left a job and then found a new job without a period of unemployment. It represents 10% of the agencies' economic and social performance index, which determines the variable remuneration of their managers.

**Proposal No. 5 Adopt the concept of unemployment avoidance by accompanying people in employment as soon as they are notified of their dismissal, or, for people on fixed-term contracts of a certain duration, a few weeks before the end of their contract.**

### 2.2.2. Quickly define realistic and evolving job return objectives over time

**The German and Danish methods of taking charge (diagnosis, professional project and action plan) have two advantages: the deadlines are short (a few days after registration) and the procedure must lead to the definition of concrete objectives for returning to work.**

**The German method is simple and clear.** Called M4P, it is based on four steps: (1) diagnosis, (2) definition of objectives, (3) definition of the strategy to achieve them, (4) contracting with the job seeker and monitoring the implementation of the strategy. It is used by all *Arbeitsagentur* and *Jobcenters* co-managed by the *Bundesagentur für Arbeit* and by a significant part of the independently managed *Jobcenters*. The people we met told the mission that the duration of this first phase should not exceed twelve weeks in the most complicated cases, but that it was usually completed in one to two hours.

**In Denmark, the mission observed a particularly interesting approach, leading to objectives that evolve over time.** The municipalities have a large degree of autonomy in organizing the diagnosis of job seekers. In Høje-Taastrup, a municipality of 50,000 inhabitants near Copenhagen, when a job seeker registers at the *Job Center*, he or she establishes a return-to-work program with his or her counselor, organized around a list of three job targets, which organize the job search in a sequential manner (cf. chart 3) :

- ◆ Plan A: the "dream job," which the job seeker can pursue for the first five months;
- ◆ Plan B: "the right job," the job that the job seeker could reasonably be expected to do, based on his or her skills and past experience, which he or she must pursue from month 2 to month 12;
- ◆ Plan C: "the breadwinner", in the event of an unsuccessful search for Plan B, which must be in a sector where there is a shortage of recruitment and for which the job seeker has the required skills, which he or she must continue to pursue from the sixth month.

The job counsellor is free to approve or reject the job seeker's plans. The *Jobcenter* checks that the job seeker is actively looking for a job in the sectors in question.

**This organization makes it possible to anchor the job seeker's expectations in reality from the outset, by evoking the different possible scenarios and the need to revise one's ambitions over time.** This evolving nature of the objectives is very important since the probability of finding a job decreases when unemployment lasts.

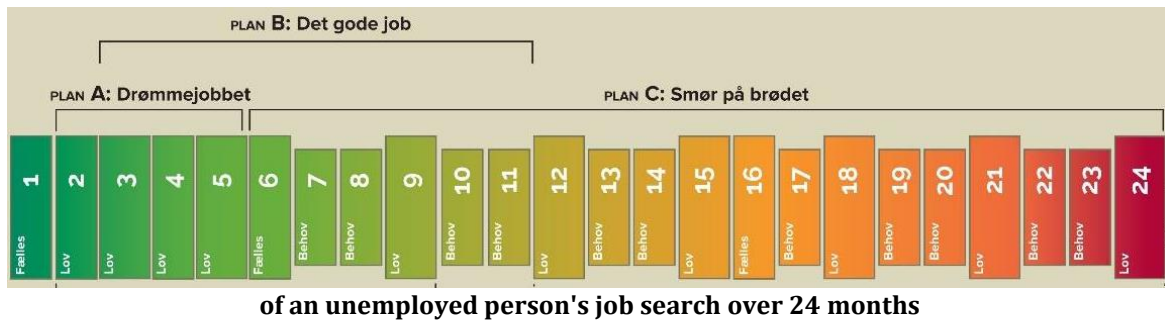
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<sup>33</sup> § 38 of the third book of the Social Code.

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In addition, in four out of five countries or regions studied, the time between registration and diagnosis is shorter than in France, where it averages 23 days.

**Chart 3 Structure of the 24-month job search of an unemployed person by the Jobcenter in Høje-Taastrup,**



Source: Høje-Taastrup Jobcenter.

Note: The graph above represents the chronology of an unemployed person's job search over 24 months. The unemployed person must look for a job related to one of his or her projects over a well-defined period. For example, during 5 months for Plan A; after 2 months and up to 1 year for Plan B.

**Proposal no. 6: restructure the management of job seekers (diagnosis, professional project, action plan) around a few distinct phases and set them realistic and progressive objectives for the job to be taken up.**

### 2.2.3. Characterize the distance to employment, especially for ASS and RSA recipients

The mission found that Germany and Denmark clearly identify the distance to employment of benefit recipients in two different ways.

In Germany, people who are not fit to work at least three hours a day are not obliged to look for a job and are covered by a separate social minimum (under the twelfth book of the social code). This ability is determined by a doctor employed by the employment agencies (see Box 9).

In Denmark, the mission found in each Jobcenter visited that jobseekers were classified into two main groups: "job ready" and "not job ready". These two groups are accompanied by different counselors and have different objectives and obligations. The emphasis is on removing peripheral obstacles and increasing the skills of the "not job ready" group.

**Proposal n° 7: Better characterize the distance to employment, in particular for RSA and ASS recipients, and adapt their pathways accordingly.**

#### Box 9 Medical examination for fitness for work (Germany)

In Germany, fitness for work is determined by a physician employed by the employment agencies. Fitness for work is defined as the ability to work three hours a day. The procedure is similar in the network of employment agencies (for people receiving unemployment insurance, so-called SGB III) and job centers (for people who are unemployed and no longer covered by unemployment insurance, so-called SGB II).

\*

Case 1: Employment agencies (SGB III) work (§ 32 of the third book of the Social Code)

In agencies for recipients of contributory benefits, doctors of the Bundesagentur für Arbeit determine, upon request of an agency advisor, whether a registered person is fit for work. According to the code, the agency is free to decide on the method of examination and can therefore have the diagnosis carried out by a doctor and/or a psychologist.

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\*

**Case 2: Jobcenters (SGB II)** (§ 44a of the second book of the Social Code)

**In the job centers, which are jointly run with the local authorities, doctors and psychologists also determine the professional suitability of jobseekers who are entitled to the *Arbeitslosengeld 2* (social minimum) at the request of the advisor.** The inter-municipality can object to the diagnosis, together with other institutions, which suspends the decision and obliges a federal authority to give an expert opinion, which is binding for the *Bundesagentur für Arbeit*.

**There are also medical services in the *zKT*<sup>34</sup> (*zugelassene kommunale Träger*), the jobcenters run solely by the intermunicipal authorities.** Legally, the law only requires this institution "to determine the amount of benefits to be paid within its competence.

**Any decision of medical unfitness will have the effect of transferring the person to the care governed by the twelfth book of the social code ("SGB XII"), which focuses on people who are unfit for work** and people receiving the *minimum* old age pension. Disabled workers are covered by another regime (Book 9 of the Social Code, SGB IX).

\*

**The *Bundesagentur für Arbeit* thus has doctors and psychologists in all agencies and job centers.** In 2021, doctors will account for 790 full-time equivalents (FTEs) in agencies and 397 FTEs in *job centers*, or 1.4 percent of the total workforce. Professional psychologists represent 836 FTEs at the end of 2021. If necessary, the doctors can conduct individual counseling interviews, for example in the case of career changes, throughout the unemployment period. This applies to the population receiving contributory benefits ("SGB III") and those receiving the minimum social security ("SGB II").

*Source: Mission.*

### 2.3. Optimize support for job seekers

#### 2.3.1. Prioritize the rapid return to work of the most employable people

**The mission found that the philosophy of support differed across the countries studied.**

**In Denmark, Sweden and Germany, the PES prioritizes a quick return to work (*job first*)** even if the job is not optimal, especially for the most employable people. The underlying idea is that it is better to look for a job while in employment rather than while unemployed. Germany and Denmark, faced with significant labor shortages, use many schemes to encourage job recovery, including internships in companies, which allow the job seeker to discover a position and the employer to get to know a job seeker better, or assisted or atypical contracts in the market sector for profiles furthest from employment (*mini-jobs, flexijobs*). Since 2019, however, Germany has been gradually changing its strategy, gradually developing its training offer for job seekers.

**In Catalonia and France<sup>35</sup>, priority is given to the job seeker's project, with a large offer of training courses at his disposal.** This strategy is particularly appropriate when unemployment is high or when the economy is undergoing a profound transformation and a whole part of the active population needs to be retrained. It is less appropriate when there are many job shortages.

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<sup>34</sup> Presentation of the Bad Belzig *Jobcenter* to the mission in November 2022.

<sup>35</sup> In its priorities for 2022, Pôle Emploi indicates that, as far as support is concerned, the priorities are to "give job seekers the keys to success in their path to employment" or "to make the job seeker fully involved in his or her project" ([Our ambition for 2022 - Pôle emploi | pole-emploi.org](#)).



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**Flanders has developed an interesting "shortest route to employment" strategy**, based on its network of employment agencies coupled with training centers. Each VDAB agency is specialized in one or two sectors and includes training centers for these sectors within its walls. After the diagnosis, a decision is made with the job seeker as to the most effective strategy for finding a stable job: either the job seeker's skills appear sufficient to return to work immediately and he or she is expected to actively seek employment following the recommendations of his or her advisor; or the job seeker is referred to short training courses, either in the agency's training center or with a service provider, to complete his or her qualifications for returning to a specific job. This strategy echoes the French individual (POEI) and collective (POEC) operational preparations for employment, which were of particular interest to the mission's interlocutors, especially in Germany.

**Proposal 8:** Adopt a more directive approach to job seeker support based on the "*shortest path to employment*".

**Proposal no. 9:** continue to develop operational preparation for employment (POE), by linking the services and training financed to a specific employment target.

**Proposal 10:** Make greater use of short internships and work experience placements

### 2.3.2. Simplify the different ways of supporting job seekers

**The countries studied offer simpler and more easily understood modes of support based on distance to employment:**

- ◆ Flanders and Sweden distinguish between three groups: (1) autonomous jobseekers, who do not have a dedicated counsellor and can contact a call center or an e-mail counsellor if they wish, (2) jobseekers who are accompanied by a dedicated counsellor (in the agency in Flanders, by a private service provider in Sweden), (3) the least autonomous jobseekers who receive more intensive support in the agency;
- ◆ The Danish *Jobcenters* distinguish between "job-ready" jobseekers, who are followed by counselors specialized in matching, and jobseekers who are not and are followed by counselors specialized in removing peripheral barriers, supported contracts and training;
- ◆ Germany mainly distinguishes between support for unemployment insurance recipients and support for recipients of minimum social benefits. Reinforced support programs are not very developed, except for young people.

**Each country uses the concept of "portfolio size," i.e., the number of job seekers followed by a counselor, but in a more flexible way than in France.** Nowhere is there a more detailed nomenclature of portfolio sizes than in France. In general, portfolio size is lower in countries with low unemployment (100 to 150 jobseekers per counselor in Germany, Denmark and Flanders), and higher in countries with high unemployment (around 400 in France and up to 500 in Spain). This finding seems to be explained more by a strong inertia in the size of PES operators, whose staffing levels do not tend to decrease at the same rate as unemployment, and by the savings generated by lower unemployment.

**France is the only country studied to offer such a complex range of support methods, both in terms of number and name.** Pôle emploi offers four types of support: follow-up, guided, reinforced, and global, to which must be added specific measures for young people and for residents of priority urban districts. These methods define the size of the counselors' portfolios.

**Proposal no. 11:** simplify the various support methods for jobseekers so that they are more comprehensible to the public, by increasing the scope for adaptation at the local level.

### 2.3.3. Offer autonomous pathways for those closest to employment

**Sweden and Flanders (cf. box 10) are the two countries that have set up self-directed pathways for jobseekers who are closest to employment.** In both cases, all jobseekers who register with the *Arbetsförmedlingen* (Sweden) or the VDAB (Flanders) have a telephone interview with a counselor. After this interview, if they are deemed sufficiently autonomous, the counsellor offers them a fully autonomous course. They have no scheduled appointment, nor a dedicated counselor, they can use all the digital tools of the PES, and can contact, if they wish, the PES teams by email or by phone. The construction and operation of this type of autonomous pathway requires investments by the PES (personnel, IS) that should not be neglected.

**Neither Germany, nor Denmark, nor Catalonia offer an autonomous pathway. The mission's interlocutors emphasized the importance of physical contact to judge the autonomy of a job seeker and to reinforce his/her motivation.**

**In France, the "follow-up" modality is a compromise between these two approaches.** It could be reviewed to come closer to an autonomous search for the people closest to employment. Depending on the criteria adopted, an initial diagnostic interview in the agency could be maintained or replaced by a telephone interview; the average of 500 jobseekers per counselor could be increased and consideration could be given to grouping counselors into regional platforms or maintaining a local approach with teams integrated into the agencies. In any case, the mission recommends changing the name of this modality so that it is better understood by the public.

**Proposal no. 12: Transform the "follow-up" mode into "autonomous research" for those who are closest to employment.**

#### Box 10 The *digital first* approach of the VDAB (Flanders)

The Flemish PES is characterized by a 100% digital default pathway for job seekers.

The VDAB thus proposes an offer with three levels:

- 100% digital and totally autonomous, relying on several web tools, including the most important job portal in Belgium managed by the VDAB;
- 100% digital with human support, managed by *contact centers*, which bring together counselors who can accompany job seekers remotely (by phone and email);
- human support, managed in *competence centers*, which bring together support and professional training teams.

When the job seeker registers (on the internet or in a *competence center*), the VDAB uses an AI model<sup>36</sup> which estimates the individual risk of long-term unemployment:

- job seekers who are the furthest from employment are called back as a priority to complete their file and to direct them, if necessary, to a *competence center*;
- the other job seekers are called, if they have not found a job within six weeks, to complete their file and direct them to the most suitable of the three offers.

*Source: Presentation to the mission by VDAB, October 2022; PES Network, 2021; Mission.*

<sup>36</sup> *Kans Op Werk*, updated every three months (<https://www.vdab.be/jobs/knelpuntberoepen.shtml>).



**2.3.4. Systematically evaluate the services and training offered to job seekers by all PES operators**

The mission found that the *Bundesagentur für Arbeit* systematically evaluates the activation measures prescribed to job seekers receiving unemployment insurance. The agency thus compares the insertion into the labour market after 180 days of job seekers who have benefited from the scheme with job seekers with comparable characteristics who have not participated in the scheme (control group) (see Box 11). If the difference is too small in relation to the funds committed, the measure is abandoned.

The systematic evaluation of these modules is all the more important in France because the use of service providers and training is important and falls under the responsibility of different actors (Pôle Emploi, regions, local missions, departments).

**Proposal n° 13 : Systematically evaluate, six months after their end, the services and training offered to jobseekers by the various PES actors.**

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### Box 11: The systematic evaluation of benefits and training and training offered to jobseekers receiving unemployment insurance

During the mission's visit to the headquarters of the *Bundesagentur für Arbeit*, it was presented with the table for monitoring the effectiveness of the services and training offered to job seekers. For each of them, the agency monitors the employment rate of the jobseekers six months after the end of the service or training, and compares this rate with the employment rate of a target group, which has not followed the service or training, but has comparable characteristics.

**Chart 4 translated screenshot of the benefits and training management tool**



*Source: Bundesagentur für Arbeit.*

*Note for the reader: the second row of the table shows, for example, that 14,516 jobseekers who had already graduated took part in group vocational training, and 59 percent of them subsequently found unsubsidized jobs subject to social security contributions, compared with 50 percent of the control group. The effect of the measure, rounded to the nearest 1 point, is therefore 10 points out of 100.*

## 2.4. Ensure more effective monitoring of job search and expand the penalty system

**The countries studied have relatively similar sanctioning systems.** The comparison of sanction systems is not easy, as each country uses different technical terms. The mission has classified these different reasons into the six categories presented in table 10. The different PES systems generally have means to sanction jobseekers who do not show up for their appointments (1 and 2), do not make enough effort to find a job (3 and 4), or do not comply with their reporting obligations (5 and 6). In detail, however, each system has its own specificities. In France, the emphasis is on the refusal of reasonable job offers, which in practice is very difficult to qualify. The mission recommends strengthening the sanctions for non-compliance with jobseekers' job search obligations (categories 1, 2 and 4 in table 10).

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**Table 10 Reasons for sanctions used by each PES**

N°	Reasons for sanctions	ALL	CAT	DK	FL	SUE	EN
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	X
5	Does not declare his activity (update of the PPAE for France)			X		X	X
6	Does not meet the obligations of the employment 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 (Law 2017:819; Law 1997:238).*

**The main differences observed concern the organization of sanctions and their practice.**

**Only France has a system of regional control of job search.** In Germany, Denmark, Flanders and Catalonia, the initiative for sanctions lies with the agency advisors. In Denmark, in order to avoid the development of mistrust between the advisor and the jobseeker due to potential sanctions, it is the agent in charge of calculating and paying benefits (employed by the unemployment compensation fund for unemployment insurance beneficiaries or by the *Jobcenter* for others) who initiates sanctions. In Sweden, job search monitoring is managed at the national level and has been industrialized, based on the job search log that job seekers must complete each month.

**At the level of practices, the mission established a simplified comparison of the size of the sanctions administered by the main operators, as an approximation of the use of sanctions by the PES studied (cf. table 1311 and Annex IX). This shows that:**

- ◆ **Denmark is the country that most systematically and heavily punishes insufficient job search.** For all the PES actors we met, in particular the union of employees' unions, this is the natural counterpart of relatively generous unemployment benefits (90% of the reference salary with a ceiling of €2,602 per month) and relatively long (24 months). In this spirit, the municipality of Copenhagen sends *employable* jobseekers<sup>37</sup> who do not make enough effort to find a job during their first three months of unemployment on a two-week internship in pest control teams;
- ◆ **Flanders also has many sanctions.** In Sweden, these sanctions are mostly applied automatically;
- ◆ **France is close to Flanders, due to the significant number of deregistrations in 2021 (365,105 for all categories) for failure to respond to a summons from Pôle Emploi.** However, the number of sanctions pronounced by the départements against RSA beneficiaries who are monitored is very low (cf. 1.3.4).
- ◆ **Germany has a firm policy of sanctions, but in fact has a small number of jobseekers actually sanctioned.** The situation has changed further with the vote in November 2022 to transform the *Arbeitslosengeld* social minimum, created by the *Hartz* reforms in the early 2000s, into a *Bürgergeld*, which is accompanied by a reduction in the reasons for and amounts of sanctions (see Box 2). **In Germany, however, the most important financial and symbolic sanction is the one-year transition from unemployment insurance and employment agencies to the social minimum and job centers;**
- ◆ **Catalonia no longer applies sanctions since 2020 following the health crisis.**

<sup>37</sup> The Danish PES makes a clear distinction between job seekers who are "job ready" and job seekers who need training before they can find a job.

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**Table 11 Share of jobseekers who may be sanctioned actually sanctioned in 2021 (excluding warnings)**

Country	ALL	CAT	DK	FL	SUE	EN
Number of sanctions during the year without warnings (1)	730 165	0	100 348	17 251	N.D.	497 500
Retained population subject to sanctions, monthly average over the year 2021 (2)	2 602 000	220 000	216 864	123 904	N.D.	4 400 00
Simplified penalty rate (1)/(2)	28,1 %	0,0 %	46,3 %	13,9 %	N.D.	11,3 %

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

*Note for the reader (1):* The mission focused on the number of sanctions without a warning, related to a monthly average (to neutralize seasonal variations) of the number of jobseekers who may be subject to sanctions. However, this rate does not allow for an accurate measurement of either the average number of sanctions per job seeker or the number of different job seekers during the year 2021.

*Note for the reader (2):* The mission was only able to obtain the total amount of sanctions applied in Sweden (340,000 in 2021), but was unable to distinguish warnings within these sanctions.

*Reading note (3):* The full methodology is detailed in Appendix IX.

**Concerning the sanctions for the numerous absences from appointments, the scale of sanctions applicable today is too severe in France, which largely explains why they are so little applied:**

- ◆ first absence: removal of one month without loss of benefits;
- ◆ second absence: disbarment of 2 months with removal of benefits for two months;
- ◆ third absence: disbarment of 4 months with removal of benefits for four months.

A more progressive scale of sanctions could be adopted and applied more systematically, particularly for absences from appointments or meetings without a valid reason (cf. sidebar 11).

**Proposal no. 14:** adopt a more progressive scale of sanctions and apply it more systematically, in particular for absence from an appointment- or a meeting without a valid reason.

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### Sidebar 11 A not very progressive sanction grid (France) and a progressive sanction grid (Sweden)

**Table 12 Length of time job seekers were removed from the Pôle emploi lists in France, by reason for the sanction**

Duration of write-off by reason	1 <sup>er</sup> warning	2 <sup>ème</sup> warning	3 <sup>ème</sup> warning
Principle regime for all reasons	1 month	2 consecutive months	4 consecutive months
Exception: ▪ lack of declaration; ▪ misleading statement.	Deletion between 6 and 12 consecutive months. However, if the misrepresentation is related to an undeclared activity of a very short duration, the deletion may be for only 2 to 6 months.		

*Source: Pôle Emploi.*

**Table 13 Sanctions for Swedish jobseekers by reason for the sanction and status of the jobseeker (insured or not by an unemployment fund)**

Sanction* by type of ED and reason by warning	Poor job search management*.		Extension of unemployment		If the ED causes unemployment*.	
	Allowance from an A-kasse	Allowance paid by the National Social Insurance Fund	Allowance from an A-kasse	Allowance paid by the National Social Insurance Fund	Allowance from an A-kasse	Allowance paid by the National Social Insurance Fund
1 <sup>er</sup>	Simple warning		5 days		45 days	No rights
2 <sup>ème</sup>	1 day		10 days		45 days	No rights
3 <sup>ème</sup>	5 days		45 days		End of rights	No rights
4 <sup>ème</sup>	10 days		45 days	45 days + reduction in fees	No rights	No rights
5 <sup>ème</sup>	End of rights	45 days + reduction in fees	End of rights	More rights	No rights	No rights

*Source: Arbetsförmedlingen.*

*Note: \*Sanctions differ depending on whether or not the job seeker is receiving unemployment benefits from an unemployment insurance fund. The sanctions are gradual and increase with the number of violations. The days indicate the duration of the suspension of unemployment benefits. The Arbetsförmedlingen has three main grounds for sanctions and defines them as follows: (1) mismanagement of the job search is the failure of the jobseeker to participate in the definition of his or her return-to-work plan, to provide his or her monthly activity report, to apply insufficiently for job offers, and to participate in the proposed ALMPs ; (2) prolongation of unemployment is the job seeker's refusal of a proposed job or training and absence from interviews; (3) the job seeker's causing unemployment means that the person is unemployed after leaving a job without good cause.*

*Source: Mission.*

**With regard to sanctions for insufficient job search**, two models have been observed abroad, which could inspire reform: entrusting the initiative for sanctions to the benefits advisor, allowing the job advisor to concentrate on support and to establish a bond of trust with the job seeker; monitoring, via a national control service, the exact keeping of the job search log (JRE), currently being tested in two French regions, but as a tool for assistance and not for sanction.

**Proposal no. 15: Give the initiative for sanctions for insufficient job search to the benefits counselor, which will allow the support counselor to establish a relationship of trust with the job seeker**

**Proposal No. 16: Introduce a mandatory job search log sent to Pôle emploi every month, which would be monitored by a national monitoring service**

## 2.5. Strengthen business services

**In contexts where the unemployment rate is close to its structural level** (Germany, Denmark, Flanders, France, and Sweden), **the mission found that the PES are seeking to develop their relations with companies.** When unemployment is low, the PES become more sought-after partners for companies that are struggling to recruit. They often have to advise companies to lower their expectations of candidates, as people far from employment are over-represented among job seekers.

**These PESs all offer relatively similar services to companies:** information, publication of job offers, advice on writing job offers, pre-selection of candidates, preparation for interviews. However, the mission was not able to estimate the effectiveness of business services in the different countries studied. It is limited here to presenting the two types of organization it encountered.

**In Germany and Denmark, the mission found widespread specialization of business advisors by sector.**

**In Flanders, this specialization goes further, as business advisors and jobseeker advisors are part of joint sectoral teams.** The VDAB *competence centers* are organized into six economic sectors: industry, construction, transport and logistics, care and education, information/communication and retail, and business services. Each sector includes employment advisors and business advisors in the same team, coordinated by a *manager*. Depending on their project and skills, job seekers are assigned to a channel. If they are unable to find a job in that stream, they may be assigned to another stream. In practice, each *competence center* is specialized in one or two economic sectors, bringing together in their premises guidance, placement and business advisory services, as well as training centers, all linked to the sector(s) concerned.

**The sectoral specialization of advisors thus appears to be widespread in the various countries studied. This is a path that France should take.** For example, some advisors in Seine-Saint-Denis should specialize in the construction or security sector in view of the challenges of regional development (Olympic Games, urban renewal, Greater Paris company).

<p><b>Proposal no. 17: Strengthen the specialization of business counselors. Mixed sectoral teams of business advisors and jobseeker advisors, in close collaboration with training centers, could be tested in areas with high tension sectors. The methods of implementation should be left to the local level, depending on the number of FTEs per agency and the relationships established with companies in the area.</b></p>
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## CONCLUSION

**In light of the good practices observed in the countries studied, the mission proposes a series of measures to be implemented in the project to create France Travail.**

With regard to the general organization of the PES, the mission proposes to **reduce the number of counters** by experimenting with joint structures between the Pôle Emploi, the départements and the local missions for the care of young people and RSA recipients. It also recommends **strengthening accountability, i.e., transparency and responsibility, of the various PES actors** (Pôle Emploi, départements, local missions, etc.) to improve knowledge of what is being done and to make contractual and verifiable commitments by developing a statistical reporting system. Finally, the links between the PES and the **youth guidance** structures must be strengthened, so that young people have a clearer idea of the employment needs before making their academic and professional choices.

On the issue of care, the mission recommends **improving the measurement of the distance to employment of RSA and ASS recipients** and adapting their pathways accordingly. Reducing the time between registration and diagnosis should be an objective for all groups. It could be achieved for employees by allowing, *through* a system of reciprocal obligations, registration for unemployment insurance as soon as they are notified of their dismissal or a few weeks before the end of a fixed-term contract of a few months' duration, thereby avoiding unemployment.

With regard to support for jobseekers, the mission recommends **setting realistic employment targets that evolve over time and adopting a more directive approach** by linking the training financed to a specific employment target and making greater use of short internships in companies and work experience. It is also necessary to simplify the various methods of supporting job seekers by **increasing the flexibility of local agency managers**.

The mission recommends **adopting a more progressive scale of sanctions and making sanctions more systematic**, particularly for absence from an appointment or meeting without a valid reason. Finally, the mission recommends experimenting at the local level with the practice of specialized joint "company and job seeker" teams, as a priority in sectors under pressure.

**In the future, beyond the France Travail project, if a reform modifying the distribution of competences of the different actors of the PES were to be considered**, it would have to articulate the strengths of the national operator, which guarantees an overall vision and an efficient steering system, and those of its local partners, who have a detailed knowledge of the territory and the capacity to make the link with the social policies that need to be activated for a part of the public.



## Report

**The revision of the distribution of competences for the support of all jobseekers, whether or not they are RSA beneficiaries, should therefore aim to keep only the national level and a single local level, as in most of the countries studied.** This local level should correspond to an existing administrative and institutional entity and should ensure the coordination of the many local actors involved in the jobseeker's pathway and make the link with social policies, with a focus on proximity. In light of these criteria, the existing territorial levels have the following characteristics:

- **the intermunicipal level is** certainly the most relevant in theory, the one closest to the "catchment area" or "employment area" and the only one able to establish direct links with local actors. However, it does not currently have any competencies related to employment and integration;
- **the department** is already responsible for the social and professional integration of some of the users of the PES;
- **the region** already has competences in the field of employment and vocational training, but its size does not allow it to ensure the proximity necessary for an effective PES.

The mission rejects a scenario in which the entire PES and integration would be entrusted to a national operator, which would mean going back on 40 years of decentralization, such as the scenario of total decentralization of the PES to the regional level, based on the Belgian and Spanish models, because this would deprive France of a national level of synthesis and management.

It would be desirable for each job seeker, whether or not he or she is receiving RSA, to have a **single contact point. This counter could be managed by a single network or by two separate networks** (as in Germany), possibly under the aegis of France Travail.

The mission did not observe any distinction in competences between the main PES operator and the funder of jobseeker training in any of the countries studied and proposes to study their reconciliation within the same organization.

The **financing circuits** of job-seeker activation policies should include **incentive** mechanisms, leading actors to minimize the duration of unemployment and the recurrence of unemployment spells.

Finally, a **stronger involvement of social partners and local elected officials** is, at both national and local levels, an indispensable condition for the success of structural reforms of this magnitude.

In Paris, February 11, 2023

**Report**

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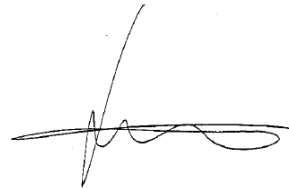
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