



European Training Foundation

# **ACTIVE LABOUR MARKET POLICIES AND HUMAN CAPITAL DEVELOPMENT**

## ***FOSTERING INNOVATION AND IMPACTFUL ACTIONS FOR RECOVERY***

**ETF online event, 28 April 2021**



# Session 1

## One year after: pandemic impact on Active Labour Market Programmes and Public Employment Services



# (DRAFT) REPORT ON INNOVATIVE PRACTICES OF ACTIVE LABOUR MARKET PROGRAMMES IN THE CONTEXT OF COVID-19 CRISIS

## RESEARCH QUESTIONS & METHODOLOGY

Questions in focus:

What has been done to financially support businesses and individuals?

What measures have been introduced or adapted to foster employment and skills development in the crisis?

How have Public Employment Services adapted their services?

Method:

- mapping exercise in EU, EEA and ETF partner countries to reveal novelties and innovations in terms of labour market policy support, measures and services

Data and information sources

- EU PES Network events and publications,
- International literature (e.g. ILO reports)
- Eurofound COVID-19 Policy watch
- World Bank database on social protection and jobs responses to COVID-19
- ETF's mappings of COVID-19 responses in the policy areas of education, training, employment and social protection

# LABOUR MARKET POLICY RESPONSES IN EU NEIGHBOURHOOD AND CENTRAL ASIA

## SUPPORTING BUSINESSES AND INDIVIDUALS

Newly introduced/expanded short-time work schemes

Eased access to unemployment and other types of benefits

Expanded support to self-employed and other atypical workers, including informal workers

## MEASURES TO FOSTER EMPLOYMENT

Digital delivery model of training

Expanded offer of training in digital competences

Online platforms and digital services to improve matching and placement

Wage subsidies and job creation stimuli

Public works programmes

## ADAPTATION OF EMPLOYMENT SERVICES TO CRISIS

New channels to communicate with jobseekers and employers

PES staff reallocation to manage increased volumes of unemployment benefit claims and short-time work or business support programmes

Increased surveillance of labour market supply and demand dynamics

Crisis management teams

Reviewed service models to maintain and improve support for clients including remote delivery channels

# CHALLENGES

- Governance-related: multiple provision arrangements and actors (nationally supported, donors; multilevel: central regional and local); limited comprehensive information systems for internal use and for communication to beneficiaries and third parties
- Education / skills development: overall inadequacy of (re)training provision (training providers, up to date qualifications and training programmes, regional and urban/rural disparities)
- Volatile and uncertain economic environment coupled with increased volume of labour market transitions
- Labour market disruptions in context of climate change and transition to greener economies and digitalised forms of work and service delivery and increased automatization of production
- Digitalisation and dematerialisation of employment and (re)training services: develop the correct balance of digital and physical services in coming years to reflect the needs of specific groups
- Prevent falling into long-term inactivity and social exclusion of most vulnerable jobseekers

# (DRAFT) RECOMMENDATIONS

## SKILLS DEVELOPMENT

Ensure that training programmes meet the needs of the most vulnerable and furthest from the labour market

VET, skills, and employability programmes should focus on assisting jobseekers to access jobs in growing sectors with labour demand

Active promotion of partnerships to increase delivery capacity based upon meaningful dialogue between stakeholders (employers, unions, skills providers, and VET institutes)

## OUTREACH AND DELIVERY

Enhance outreach activities to encourage PES registrations particularly of vulnerable people

Well-designed and appropriately targeted short-term work, wage subsidy, and public works for people at risk of falling into long-term unemployment

Specific needs of the self-employed, and people working in the informal economy must be considered.

Review unemployment benefits (coverage, design, payment levels) to better reflect the needs of jobseekers in a rapidly changing labour market.

## INNOVATION AND OPPORTUNITIES

Build environments enabling innovation and sharing of experience and good practice

Review existing supply chains for delivery of skills and employability support to identify gaps in roles and responsibilities

PES to develop both their customer contact strategies and stakeholder partnerships.

Digitalisation as opportunity to modernise services, to increase efficiency and rationalise processes, as well as improving outreach

PES to access resources from EU recovery support for Neighbourhood to assist economic reforms, including achievement of 'Green' and digital goals as part of post crisis recovery



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# Consultation (poll 1)



## Panel Discussion:

**Amira Ramhorst**, Employment and Social Affairs Platform Western Balkans, Regional Cooperation Council

**Jochen Schmidt**, Directorate-General for Neighbourhood and Enlargement Negotiations, European Commission





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## Session 2

# Build back better: fostering more impactful ALMPs



# (DRAFT) ASSESSMENT OF THE EFFECTIVENESS OF ACTIVE LABOUR MARKET POLICIES IN CRISIS AND POST CRISIS SITUATIONS

## Context and aims

- crises offer unique opportunities for innovation and a reset of social objectives
- opportunity to experiment with, and implement at scale, different ALMPs
- map experiences from past crises in which ALMPs have played a crucial role with focus on their effectiveness
- Document key lessons and findings for ETF partner countries in combatting unemployment from the pandemic and rethink human capital in a labour market increasingly defined by the climate crisis and digitalisation

## Methodology:

- critical review of available literature, studies and meta-analyses, research reports
- multi-stage process of screening sources, extracting key information, clustering and analysis
- critical review of policy responses and their effectiveness
- recommendations for shaping ALMPs design and delivery in the current crisis

# ALMPS EVALUATION - CHALLENGES

Specific socio-economic context (e.g. informality) and public employment services capacity in developing and transition countries

Difficult to find ALMPs evaluations taking into account the challenges met by EU Neighbourhood and Central Asia

Analysis of ALMPs' net effects ought to take into account negative effects (requires experimental and quasi-experimental studies; lack of counterfactual impact evaluations in developing countries)

Definition of effectiveness, in particular how it should be measured and on what time scale

Effectiveness can be understood differently in various contexts

Tendency in ALMP evaluations to focus only on measurable outcomes, particularly employment probability

Some programmes targeted at the most disadvantaged may aim to bring people closer to the labour market, or to bring informal workers into the formal economy

# EFFECTIVENESS OF ALMP IN LOW- AND MIDDLE-INCOME COUNTRIES

## WHAT WORKS, FOR WHOM (TARGET GROUP) AND WHY (CONTEXT)

### **Training policies**

greatest long-term impacts and most effective at increasing employment alongside counselling

### **Employment incentive**

highest effectiveness if focused on targeted groups; prone to negative effects (displacement; deadweight); effective counter-cyclical stabiliser in recession; most effective when delivered with training

### **Direct job creation**

very effective in crisis as income protection policy and to retain workers in labour market; most effective in countries with low institutional coherence for other programmes.

### **Sheltered and supported employment measures**

most effective with strict programme management; work best for LM inclusion of persons with disabilities

### **Start-up incentives**

effectiveness maximised during economic growth / positive business environment; also effective for delivering social and training benefits (esp. women)

### **Job search assistance**

most effective in countries with high level of institutional coherence; focus on engaging search assistance rather than rigid sanctions.

# EXPERIENCE OF USING EUROPEAN SOCIAL FUND

ALMPs funded through the ESF are stronger when interventions are

- customised to labour market demand
- delivered by integrated and partnership-based approaches
- combined with sufficient management capacity
- targeted at individuals at certain (medium) distance from the labour market
- most effective when combined in the longer term with other support measures for participants furthest away from the labour market

# THE WAY AHEAD / ETF PARTNER COUNTRIES

- strengthen efforts to adjust ALMPs design and delivery capacity to effectively combat negative effects of the current crisis
- consolidate PES institutional capacity for effective ALMPs delivery, in terms of comprehensiveness of services (especially in relation to wide range of ALMPs), supporting and developing implementation structures, and increasing resource capacity.
- develop evidence-base on ALMPs effectiveness (what works, for whom and why) and consolidate monitoring and evaluation
- more regular net impact assessments and adjusting methodologies to capture social impact (indirect effects of ALMPs).
- development of measures and policy responses for the post-pandemic period, including for digital and green transitions

# Consultation (poll 2)



Panel Discussion:

**Theodora Xenogiani,**  
Organisation for Economic Co-  
operation and Development

**Kamil Valica,** Directorate-General  
for Employment, Social Affairs and  
Inclusion, European Commission



# CONTACT US

## Website

[www.etf.europa.eu](http://www.etf.europa.eu)

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## LinkedIn

[linkedin.com/company/european-training-foundation](https://linkedin.com/company/european-training-foundation)

## E-mail

[info@etf.europa.eu](mailto:info@etf.europa.eu)

## Open Space

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