

Enhanced cooperation between Public Employment Services (PES)

2013/0202(COD) - 17/06/2013 - Legislative proposal

PURPOSE: to improve co-operation between Public Employment Services (PES) of the Member States.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: shrinking public budgets and the need for increased PES cost-effectiveness have prompted several Member States to undertake PES reforms in the shape of mergers with unemployment benefit providers, outsourcing of services to private providers, regionalisation and municipalisation of employment services, and enhancing service delivery through ICTs and self-service tools.

Due to national diversity in terms of PES business models, instruments, labour market conditions and legal context PES have different levels of effectiveness when **delivering labour market programmes**.

While Member States remain responsible for organising, staffing and running their PES, this legislative proposal establishes a **European Network of Public Employment Services** providing a platform for **comparing their performance at European level**, identifying good practices and fostering mutual learning in order to strengthen service capacity and efficiency.

Skills: this legislative proposal aims to expand, reinforce and consolidate on-going initiatives for the benefit of all PES. A European network of PES established on solid legal ground would be able to increase comprehensively coordinated activities among PES and provide the network with legitimacy to act. A formalised structure is the pre-condition to increase the network's potential to contribute to the development of innovative, evidence-based policy implementation measures in line with the Europe 2020 objectives. The proposed initiative could contribute to improved cost-efficiency.

IMPACT ASSESSMENT: given that the legislative proposal will mostly have indirect impacts and that the main technical elements of the benchmarking and mutual learning initiative will be defined in a delegated act, an **impact assessment was considered not to be proportionate**.

LEGAL BASIS: Article 149 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: under this proposal, an EU wide network of Public Employment Services (PES) is established for the period expanding from 1 January 2014 to 31 December 2020.

The Network shall comprise:

- the Public Employment Services as nominated by the Member States, and,
- the Commission.

Member States with regional autonomous Public Employment Services shall ensure adequate representation in the specific initiatives of the Network.

Objectives: through this Network the incentive measure herewith foreseen shall contribute to:

- the implementation of the Europe 2020 strategy for jobs and smart, sustainable and inclusive growth, and its headline targets especially those dealing with employment;
- the better functioning of the labour markets in the EU;
- the better integration of labour markets;
- increased geographical and occupational mobility;
- combatting of social exclusion and integration of persons excluded from the labour market.

Initiatives of the Network: the Network shall in particular:

- develop and implement European wide evidence-based benchmarking systems among public employment services based on the use of quantitative and qualitative indicators to assess PES performances and to gather evidence with a view to establishing an appropriate mutual learning vehicle. It shall also participate actively in the implementation of these activities by sharing data, knowledge and practices;
- provide mutual assistance, either in the form of peer-to-peer or group activities, through cooperation, exchanges of information, experience and staff between its members including support for the implementation of PES-related country-specific recommendations issued by the Council;
- adopt and implement a concept for modernising and strengthening PES in key areas;
- prepare reports in the employment field, at the request of either the Council, or the Commission or on its own initiative;
- contribute to the implementation of policy initiatives in the employment field;
- adopt and implement an annual programme that spells out its working methods, deliverables and additional details related to the implementation of the benchmarking systems.

A reporting mechanism shall be established as well as an annual report from the network members.

Cooperation: the Network shall cooperate with labour market stakeholders including other providers of employment services by involving them in relevant activities and meetings of the Network and by exchanging information and data.

Financial Support for this incentive measure: the global resources for the implementation of this Decision shall be established within the framework of the Programme for Social Change and Innovation, the annual appropriations of which shall be authorised by the budgetary authority.

Measures are also set out to define the functioning of the Network and its composition.

General framework: the Commission shall be empowered to adopt delegated acts concerning a general framework for the delivery of the benchmarking and mutual learning initiatives including the methodology, the basic quantitative and qualitative indicators to assess PES performance, the learning instruments of the integrated mutual learning programme and the terms for participation in these initiatives.

Review: four years after its entry into force, the Commission shall submit a report on the application of this Decision to the European Parliament. It shall assess to what extent the network has contributed to the achievement of the objectives and whether it fulfilled its tasks.

BUDGETARY IMPLICATION: the Commission's proposal for a Multi-Annual Financial Framework includes a proposal of a EUR 958. 19 million on a [European Union Programme for Social Change and Innovation](#) (PSCI) for the period 2014-2020. Funding for the enhanced cooperation between PES will come from the PSCI/PROGRESS/Employment section. An indicative annual amount of EUR 4 million is foreseen for the above described incentive measure.

The legislative proposal is budget-neutral and does not require additional staff resources.

DELEGATED ACTS: this proposal includes a provision to grant the Commission the power to adopt delegated acts. This will mainly concern a delegated act for putting in place the general framework for the implementation of the benchmarking and mutual learning initiatives.

The choice of using the legal instrument of delegated acts is justified as this will complement the basic act with more detailed non-essential elements (in this case the general framework).