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General Feedback Report TLD on
"Evidence-based services/decisions"
hosted by STAR, Denmark



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¹ DECISION No 573/2014/EU

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1. Introduction

The fifth Thematic Learning Dialogue (TLD) on "Evidence-based services/decisions" was held on 17-18 September in Copenhagen. It was hosted by the Agency for Labour Market and Recruitment (STAR), the Danish Public Employment Service (PES), with Participating PES coming from Italy, the Netherlands and Slovakia, each represented by two experts. In addition, peer PES in Slovenia and Norway both sent an expert to act as supporting peers for the Participating PES. The lead expert from the ICON consortium was in charge of moderating the TLD. Finally, a representative from DG EMPL in the European Commission attended the TLD, as well as a representative from the Irish PES as observer. Before the TLD, dossiers on Participating PES and on the Host PES were drawn up, checked and sent to all participants. A preparatory "virtual kick-off" meeting was held on 2 September. This helped to clarify the roles of all the participants, and it discussed the final agenda and participants' expectations from the TLD.

2. Presentations by the Host PES

General introduction

After the welcome from the Director General and a brief round table in the Head Office of the STAR, the first presentation was an introduction on the STAR's strategy on how to generate, use and disseminate evidence on 'what works for whom' in the field of labour market policy. It is worth mentioning that the implementation of services and any other support for jobseekers in Denmark, as well as the delivery of Active Labour Market Policies (ALMPs), is under the full responsibility of the municipalities at the local level. At the national level, the STAR supports and supervises these services, manages the complex system for reimbursement payments to the local offices and collects and disseminates data on the Danish labour market. The STAR also develops and maintains a number of nationwide IT "tools" and software packages, which support the municipalities in servicing their customers and delivering ALMPs.

The STAR currently operates in a very positive economic context, which is characterised by high employment, low unemployment as well as a low long-term unemployment rate. There is high job turnover (700,000 to 800,000) per year and therefore a need for quick and successful further placement. The high job turnover is the backbone of the Danish labour market model, which is characterised by the so-called "flexicurity" approach, a combination of a dynamic labour market, relatively generous income security levels and intensive active labour market policy interventions, based on jobseekers having rights and obligations. Another characteristic of the Danish labour market is the high unionisation rate and the high collective agreement coverage, which refers to up to 75% of all labour contracts in the country. The Public Employment Services in Denmark underwent a substantial organisational change between 2007 and 2009: up until 2007, 14 regional PES units and 271 social service centres around the country took care of those jobseekers who received benefits from the unemployment insurance, whereas social benefits were under the sole responsibility of the municipalities. In 2009, 98 jobcentres were established at the local level, run by the municipalities, responsible for all kinds of benefits.

Active labour market policies in Denmark are currently characterised by the following guiding principles:

- Activities for jobseekers focus on early intervention. Amongst others, this includes frequent contacts between jobseekers and jobcentre counsellors ("case workers").
- Outplacement usually takes place in real workplaces.

- Services for the more disadvantaged groups are characterised by a holistic and multidisciplinary approach. As an example, if a social benefit recipient has health problems, the reintegration process is usually supported by case workers and health specialists, such as doctors, psychologists etc.
- Educational and vocational training is focused on jobseekers with the lowest formal education.
- In order to be successful, a strong cooperation between jobcentres and employers at local level is mandatory.
- Economic incentives for jobcentres are motivating elements for their integration policy. Overperformance leads to financial benefits, underperformance to financial losses. The entitlement of jobseekers to benefits and the level of payments are regulated by appropriate laws. The disbursement of the benefits is carried out by the municipalities, but they are in turn reimbursed by the state. This depends on the duration of unemployment - the longer the unemployed person is registered, the lower the state contribution.

Apart from the economic incentives, the decentralised system of public employment services in Denmark, and the special relationship between national and local levels, are characterised by the following elements:

- At the legislative level, the minimum requirements for services to the unemployed are defined, which leaves a degree of autonomy to the municipalities in how to organise them.
- Consistent IT software used throughout the national and local offices ensures full transparency on the performance and outcomes of jobcentres, and it facilitates the common use of these tools/software, such as www.jobnet.dk, the self-booking system for counselling sessions, and "joblog", which registers jobseekers' job search activities.
- The high level of transparency within the system allows informed and evidence-based dialogues between stakeholders at the national level (the STAR) and the local level (the jobcentres and municipalities). This facilitates peer-to-peer learning and the transfer of good practices.
- The transparency of data relating to performance and outcomes at the jobcentre level allows a benchmarking of jobcentres, which *per se* initiates processes of self-reflection and activities to improve organisational arrangements and services.

The introductory presentation made clear that data on performance and outcomes plays a crucial role in the Danish PES. It is not only used for the interaction between the STAR and the jobcentres and the municipalities, but also for informing them about decisions made at the political level, which can create a heavy workload in terms of ALMPs. The knowledge-base that the STAR has created in recent years serves to (a) support the political process in the generation of new policy ideas and strategies, (b) support the implementation process and (c) evaluate their effects. Since 1997, jobcentres have collected and reported data on individuals following common standards, ensuring comparability across the municipalities. All the information flowing into the data system can be used for informing decision-makers at the local level as well as practitioners on activities, outputs and results and for scientific evaluation and labour market research. In this context, the first randomised control trials (RCTs) were introduced in 2005. A formal Evidence Strategy was introduced in 2012. Nowadays RCTs, with a focus on the causal effects of treatments, are systematically carried out to increase the knowledge-base

After the general input, the following aspects were discussed in a feedback session:

- Participants asked whether there are limitations to RCTs from an ethical point of view. The representatives from STAR pointed out that there are generally no limitations to RCTs. However, the level of benefits is excluded from being the subject of RCTs. RCTs are considered the best way to measure causal effects of ALMP treatments.
- One question referred to the extent of municipalities' involvement in the STAR's evidence strategy. The representatives from the Danish PES pointed out that the general concept has been developed solely by the STAR, but municipalities are asked to contribute to its fine-tuning and implementation. One example for this is that the STAR invites municipalities to define their needs for evidence which is then taken into account in the planning of concrete RCTs. Experience show that this increases the relevance of RCT results in the local context.
- Participants also wanted to know more about the way, private employment services (PrES) are part of the STAR's evidence strategy. Although municipalities can choose the extent to which external providers are contracted for offering specific services or for implementing ALMPs (e.g. training for jobseekers), they still have to ensure that data on these services and ALMPs are delivered according to the pre-defined national standards. The outcomes of the PrES' activities are automatically included in these evaluation process.
- Finally, participants asked about the extent to which research institutions and employers are integrated into the STAR's evidence strategy. In this context, representatives from the STAR first of all highlighted the strong cooperation with the scientific community including researchers, research institutes and universities, for example when setting up and systematically updating a database on research results related to ALMPs (www.jobeffekter.dk). Employers are integrated in the evidence strategy through the Employers Organisations as part of the regional Labour Market Councils.

First in-depth input

The *first in-depth input session* consisted of three presentations, each of them focusing on specific aspects of the STAR's evidence strategy. In the first one, it was explained how evidence on what works is built up.

- a) The first step consists of the systematic collection of evidence that already exists through an analysis of the available literature.
- b) In parallel, all data collected by the STAR is systematically analysed by making use of sophisticated econometric methods (e.g. statistical matching) and new data is collected within specific research designs (e.g. RCTs).
- c) Finally, all results – i.e. those produced within the STAR's own research activities and those gained from the literature review – are integrated into a database (www.jobeffekter.dk) which is open to everyone free of charge. It is accessible at the policy level, and to the research community, the municipalities and all those who are interested in ALMP performance.

In the second presentation, a concrete example was highlighted of how the STAR disseminates and works with evidence by demonstrating a new digital tool for municipalities (www.jobevidens.dk). The basis for the tool is the scientific evidence on what works. The tool disseminates "difficult-to-read" scientific publications to local decision makers in the municipalities by translating the evidence into specific and concrete questions that municipalities can then answer. By agreeing or disagreeing with certain statements, municipalities will have a self-assessment/self-scoring on the degree of how evidence-based their local treatments are. The tool also gives municipalities the opportunity to help each other

by writing a short concrete description on how they work at the local level, the results they achieve and what issues any others who would implement similar ALMPs and processes should be aware of. Finally, the tool gives access to local contact information to enhance networking.

Performance management in the Danish employment system was explained in the third presentation. First of all, representatives from the STAR pointed out that the decentralisation process and the increased responsibility of municipalities for the implementation of services to customers coincided with a strengthening of data reporting and monitoring and a strong focus on outcomes. While a certain number of indicators are related to outputs and activities, the majority refers to outcomes. In order to make results comparable across the country, a consistent way of communicating results was implemented. One core element in this context was the benchmarking of outcomes by comparing expected results – e.g. the number of income-subsidy beneficiaries – on basis of econometric forecasts against the real figures. Another element was the introduction of benchmarking reports for each municipality and its publication on the www.jobindsats.dk website, which allows a comparison of all jobcentres in Denmark against the set targets. Benchmarking reports and their publication support the horizontal and vertical communication about common targets and Key Performance Indicators. A third element is the implementation of individual dashboards, which are followed up by the team leaders once a week. These dashboards help to identify potential for the improvement of individual performance.

After the in-depth presentations, the following issues were discussed in a plenary feedback session:

- One question referred to how much evidence the STAR requires for it to be considered “enough” evidence. The representatives from the STAR admitted that a general answer to this question is difficult, since it very much depends on the nature of the evaluation questions, the information available and the scientific (econometric) methods available for giving appropriate answers. Aside from this more scientific discussion, experience shows that a clear evaluation process and an adequate evaluation concept help to achieve “enough” evidence. Another indicator for having produced relevant and sufficient evidence can also be seen in the fact that politicians base their policy making and their legislative initiatives on the existing evidence.
- Participants were also interested in knowing more about the concrete benefits of evidence for local PES offices. Apart from the examples already demonstrated (e.g. www.jobevidens.dk or www.jobindsats.dk) a new tool/software system is currently being developed which translates existing (econometric) evidence into financial effects. Municipalities can use this tool to get insights into what results they can expect from investments into different activation measures depending on how they are implemented, on their costs and the expected effects associated with them.
- Some participants asked whether evidence of what works is also available for different target groups, such as jobseekers aged 50 years and more. The representatives from the STAR pointed out that this kind of information can easily be found on the www.jobeffekter.dk platform.
- Other participants were wondering how the STAR managed to achieve a common understanding of the Key Performance Indicators (KPIs) among municipalities, labour market councils etc. and at the policy level. In their answer, representatives from the STAR first of all pointed out the legal framework. This defines minimum service levels to be provided by the municipalities, targets on specific results to be achieved six months after ALMP participation and KPIs to be monitored continuously. This of course helps to achieve a common understanding. However, additional targets (and quantified objectives) may be set by the political level on basis

of the political priorities, leading to appropriate activities at the local level, thereby influencing the achievement of regular KPIs.

- Another important question discussed in the TLD referred to the extent of using big data. The experts from the Danish PES pointed out that for the time being no structured approach exists in this context. However, the STAR plans to use Artificial Intelligence (AI) for improving the profiling of jobseekers, thereby better informing case workers in their decisions on whether to direct jobseekers into training. Artificial Intelligence is also planned to be used for systematically analysing search patterns of jobseekers.
- Finally, participants discussed the limits of generating evidence on basis econometric and statistical concepts only. As an example, it is difficult to assess the intermediate effects of ALMPs, e.g. on their usability or service quality, if qualitative methods of social research are not used. As a conclusion to this discussion, it was felt that a look behind the "econometric" box could help to increase the relevance and the quality of STAR's evidence strategy.

Second in-depth input

Based on participants' requests, in a *second in-depth input session* on Day Two of the TLD, three different elements were highlighted: (a) the STAR's work on so-called "progression factors", (b) the "Vitas" tool and (c) a smart digital tool for measuring customer

- *STAR's work on so-called "progression factors":*

Referring to the discussion on Day One about the monitoring of intermediate results, a project was described which aimed to develop indicators on the measurement of employability as an indicator of the progress of jobseekers' integration into the labour market.

Starting from a Danish research project (the "Employment Indicator Project"), a survey among 4,000 social benefit recipients was set up. The participants received a questionnaire for measuring a lot of individual factors connected to the labour market integration, such as self-esteem, health conditions, private networks, the interrelation with the case workers of the jobcentre, motivation and expectations etc. The survey was repeated every three months over the course of two years in order to measure changes. In parallel, case workers received a similar questionnaire for assessing jobseekers' progress over time. The correlation of survey results with the future labour market performance market was calculated on the basis of a fixed effects model taking into consideration the variation of indicators over time. One very important result was the significant statistical correlation between a positive belief by caseworkers in jobseekers' success and the jobseekers' integration into the labour market.

- *The "Vitas" platform:*

The "Vitas" tool is an online-platform for communication between employers and municipalities on everything that has to do with subsidised jobs. The platform was created to harmonise and standardise applications for employers on different subsidy schemes. Before the implementation of the "Vitas" tool, the municipalities used different application forms, templates and procedures, thus collecting information in a way which did not allow comparisons between subsidy schemes in the different municipalities. Nowadays, employers' data are automatically uploaded from the enterprise register once an employer starts an application. Automatic "plausibility checks" make sure that only employers who are entitled to subsidies can submit an application. As an example, one of the conditions which has to be fulfilled in order to apply for subsidies is the share between subsidised and unsubsidised jobs.

- *Pilot project for measuring customer satisfaction:*

STAR has recently implemented a customer satisfaction tool, where unemployment benefit recipients rated their activation treatment when finishing the treatment. They did that through a weblink where the unemployed could answer five questions on their satisfaction with the support they received. In addition, respondents also had the possibility of adding a text. Results were then displayed in the style of "TripAdvisor for the unemployed". Jobcentres could also access the tool and analyse the results by ALMP and/or by service provider (i.e. whether provision came from a jobcentre or an external provider).

The discussion following these presentations basically touched the question of whether with all these surveys there was an overload of registration requirements on the different platforms, but representatives from the Danish PES explained that STAR ensures that data is only collected where necessary, i.e. that it cannot be found elsewhere in the system. For the time being, no evidence exists that customers are overloaded with registration procedures and/or surveys.

3. Working groups and their results

There were two two-hour group work sessions, the first one on Day One of the TLD and the second one on Day Two. At the end of each working session, working group results were presented and discussed in the plenary session. For the working sessions, the following pairings were made between Participating PES on the one side and Host PES (or supporting peer PES) on the other side: representatives from the Danish Host PES were the supporting peers for the Netherlands, a coach from Slovenia supported the Italian PES, while the Slovak PES representatives were assisted by coaches from Norway and Denmark.

3.1 First working session: stocktaking

The *first working session* aimed at identifying those elements of the Danish PES which offer interesting ideas for the Participating PES in their own situation at home. Since the context, the mandate and the current challenges faced by the Participating PES are themselves different, different aspects of the Danish PES were highlighted.

UWV WERKbedrijf – the Netherlands

Although the Dutch PES managed to embed evidence-based methodology in its organisation, it still does not have an *explicit long-term evidence strategy*. Therefore, the design and implementation of a long-term evidence strategy is considered the next step for placing evidence at the centre of the organisation. The long-term strategy would first of all allow the setting of priorities in research activities, which would also be in line with the UWV WERKbedrijf's strategy plan which sees evidence-based service delivery as one of its priorities. During the working session it was also discussed that a knowledge bank (similar to the knowledge database of the Danish PES) would be a spin off worth considering for the Dutch PES. Such a knowledge bank would serve as a commonly shared and transparent basis for discussion within the organisation, characterised by easy access, a consistent format and a comprehensive content. A coherent evidence strategy would also help to improve cooperation between the PES and the municipalities, thereby supporting the UWV WERKbedrijf's role as knowledge partner and as another important pillar of the PES' strategy plan.

On basis of the input given by the Danish PES, two elements were considered as being of the utmost importance for developing further evidence strategy at the UWV WERKbedrijf: (a) a strong mandate from their Board of Directors to invest in an evidence strategy and (b) a Dutch equivalent of the strong cooperation between STAR and their scientific community including the researchers, the research institutes and the universities.

Central Office of Labour, Social Affairs and Family (COLSAF) – Slovakia

The rich data which has so far been collected by the Slovak PES is only used for matching jobseekers to vacancies and for supporting counsellors' decisions on which services to offer their customers. In addition, the data stored in the quality back end IT system which is able to track every caseworker down to every activity he/she does with each customer is not used for analytical purposes. A dedicated strategy for evidence-based management which builds on the existing data has not so far been developed. Instead, available information is used on an ad hoc basis, when needed for the process of policy making or if adjustments to service delivery are necessary. Furthermore, the management of the Slovak PES does not rely on a comprehensive collection of relevant scientific and evidence-based works related on ALMPs and carried out by research organisations, other governmental bodies, universities and/or NGOs (Non-Government Organisations). Finally, customer satisfaction surveys have not been carried out in order to increase the knowledge base of the PES management. All in all, the rich analytical potential of existing data and information within and outside the PES for creating evidence-based working systems and for improving services remains unused.

In this context, the extensive experiences of the Danish PES in designing a comprehensive evidence-based strategy, and especially its implementation and common acceptance by all stakeholders, was seen as extremely inspiring by representatives from the COLSAF.

This also includes the strong focus on quantitative research and RCTs, the sharing of existing evidence on the www.jobeffekter.dk website, the use of evidence-based research at the local office level and the user-friendly design and implementation of customer satisfaction surveys.

National Agency for Active Labour Market Policies (ANPAL) – Italy

The Italian system of employment services is characterised by scattered responsibilities with many different actors at the national, regional and local levels. As a consequence, the governance framework is rather complex. So far, a commonly accepted information system informing the negotiation process between the national government, the regions and the local offices, serving a structured exchange of experiences across the country, does not exist. Therefore, the ANPAL, in close cooperation with the regions and supported by the PES community through a Mutual Assistance Project, started to set up a "Unitary Informative System". The objective of this system is the nationwide availability of commonly shared data that will provide the basis for decision-making and ensuring full transparency of results relating to ALMPs. The system should therefore replace the different databases developed and implemented by the regions, which are structured differently and contain different information, so that aggregations will be able to be made at the national level. Without these changes, comparisons between regions and local offices, and an analysis of performance taking into consideration the regional and/or local context, is impossible. So far, the newly established "Unitary Information System" contains data on the employed, the registered unemployed and *nationwide* ALMPs, but not on ALMPs that are the sole responsibility of the different regions.

In order to increase transparency on the labour market, improve the efficiency of the ALMPs, intensify cooperation and exchange between national and regional PES as well as between the regions, the ANPAL's objective is to complete the Unified Information System by collecting data from the regions according to a commonly agreed standard and via shared interfaces. This will allow fair comparisons across the country, facilitate the exchange of experiences and good practices and contribute to improving performance and service quality.

To achieve this, the practices and experiences presented by the Danish PES were considered extremely helpful by the representatives of the Italian PES. The commonly shared IT

systems and tools to support the collection of standardised information, the structured analysis of this information according to scientific standards and the transparent way of communicating and sharing performance with all stakeholders (especially the municipalities) were highlighted by the representatives from ANPAL as being especially helpful. Implementing a similar system in the Italian context could considerably help to increase the quality of services and streamline administrative processes. It also could support the comparison of performance between local PES offices and the exchange of good practices of interventions aimed at specific target groups.

3.2 Second working session: adaptation

The objective of the second working session was to build on the first session, this time with concrete ideas for activities supporting the effective implementation of an evidence-based system and/or of necessary elements needed for such an evidence-based system. Assisted by supporting peers and experts from the Host PES, all Participating PES managed to elaborate an outline of change with milestones in line with their identified needs, and they pointed out potential activities and sub-tasks, potential deadlines, responsibilities and relevant stakeholders that need to be included in further steps. The results of this second working session are presented separately in Chapter 5 of the Individual Feedback Reports.

4. General conclusions from the TLD

Despite the relatively heterogeneous context in which Participating PES operate, and the diverging framework for implementing evidence-based strategies, some important elements of the evidence-based strategy in the Danish PES were thought to be crucial for all the Participating PES. These elements include:

- a) a legislative framework which clearly defines minimum service levels, objectives, targets and Key Performance Indicators, as well as the responsibilities of the key stakeholders on the labour market,
- b) a clear will to base policy decisions on evidence of what works,
- c) a commonly accepted and functioning IT backbone used by all relevant stakeholders at national and regional level for gathering and processing data and for monitoring and analysing performance,
- d) full transparency on performance and on results of scientific evaluation, and
- e) a coherent strategy for a real evidence-based policy.

In general, participants were very satisfied with the presentations made by the Danish PES. They said the presentations were high quality: eight of the nine participants (89%) rated both, the general and the in-depth presentations as "very good". Working in teams was also highly appreciated by the participants: in the post-event survey this form of exchange was rated "very good" by eight of the nine participants (89%) and "good" by the ninth participant (11%). General potential for improvement was however seen in giving more space and time to the working group sessions. To this end, the second in-depth presentation could be postponed to the end of the event, so that Day Two of the TLD would start with the working session.