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Role of institutions, including PES, in protecting jobs, incomes, and skills, and delivering inclusive services to vulnerable groups

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ILO Moscow Conferences: “From the immediate crisis response towards economic recovery”:

Agenda

- **Employment retention schemes: support enterprises to facilitate working arrangements**
 - Short-time working initiatives and temporary lay offs
 - Restructuring enterprises by changing working arrangements
 - Financial support and tax relief

- **Providing income support and social protection**
 - Adapting unemployment benefits
 - Income support and other measures for Individuals involved in the informal economy

- **The role of PES in the Covid-19 crisis and the shift towards economic recovery**



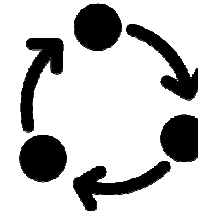
Looking back: lessons learnt from the previous economic crisis



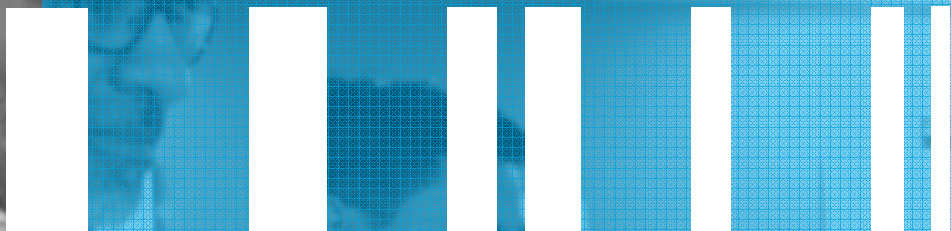
**PES enhanced
role in the labour
market**



**Targeted services
developed for those
most affected**



**Changed approach to
quality service delivery**



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**Employment retention
schemes: support
enterprises to facilitate
working arrangements**



Short-time working and temporary layoffs

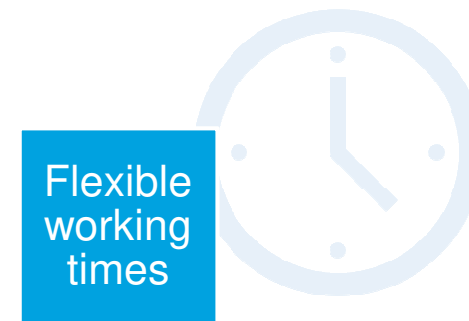
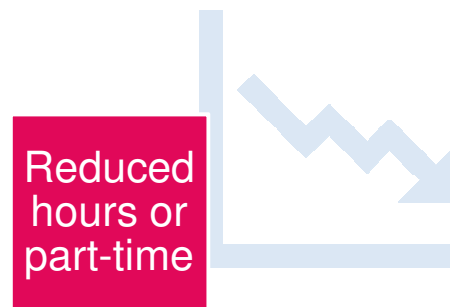
Temporary lay offs

- Workers do not work for a set time, but their employment contract is maintained and they receive a certain level of income

Short-time working

- Working time is reduced but employees are still working on an ongoing basis in the company.
- This can stabilise employment and support workers' incomes

Restructuring enterprises by changing working environments



Financial support and tax relief



- **Introduced in many countries to improve conditions for enterprises**

- Include targeted schemes for small and medium sized enterprises, who may be less resilient to economic changes



- **Tax breaks or deferring tax payments implemented in some European countries**



- **Country example: UK 'Coronavirus Business Interruption Loan Scheme'**

- New guarantee scheme for SMEs covering 80% of the loan value on lending and overdrafts, including fees and interest for first 12 months
- Businesses can access loans and other kinds of finance up to £5 million
- Loan can be available for up to a maximum of six years
- UK government has also provided £2.2b for local authorities to support small businesses



PES have a key role in preventing workers from becoming unemployed



- PES can adapt their ways of working to prevent workers from becoming unemployed

- Short-time work (STW) schemes are often managed by PES



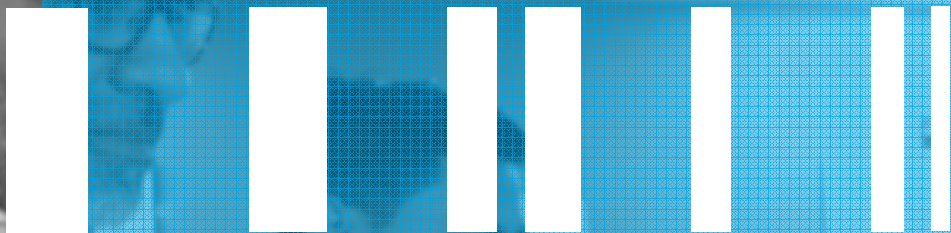
- They have been introduced, increased or extended in many countries

- Keeping processes simple

- Reducing bureaucracy



- Ensuring that there is sufficient staff available to process the claims



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Providing income
support and social
protection

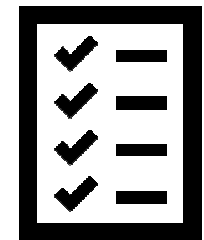
Adapting unemployment benefits

Some individuals are more affected by the Covid-19 economic crisis than others. Those most affected include:

- **Young people:** often work in sectors most affected and often employed in temporary contracts or precarious forms of work
- **Women:** often over-represented in affected sectors, most likely to have other caring responsibilities
- **Unprotected workers:** including self-employed, casual workers
- **Migrants**



Extending coverage of unemployment benefits



Changes to the conditions to accessing unemployment benefits



Income support and other measures for individuals involved in the informal economy

Social protection measures

- Extend schemes or ad-hoc payments
- Cover informal, casual, seasonal or migrant workers

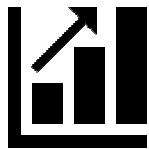
Public works schemes

- Provide additional employment and income
- Reposition and create new jobs

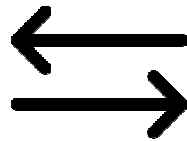
Cash transfers

- Enhance income security
- For those in lowest paid or most precarious jobs

PES have a critical role in the provision of income support



How best respond to the increased number of benefit applications?



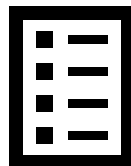
Adjust resources and management based on real needs



Consider what services are priority: scaling down or suspending services



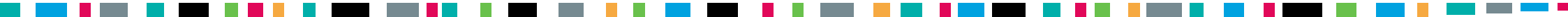
Free up resources by cancelling non-essential activities



Relax procedures for benefit claims



Allow temporary volunteering in community (no impact on benefit claims)



Sumamrising: European and USA models

See my doc annexed

STW furlogh or temporarily suspended

European: without breach of the employment contracts

European: constrained by employment protection regulating dismissal

European: keeping a low unemployment rate

European: keep the workforce attached

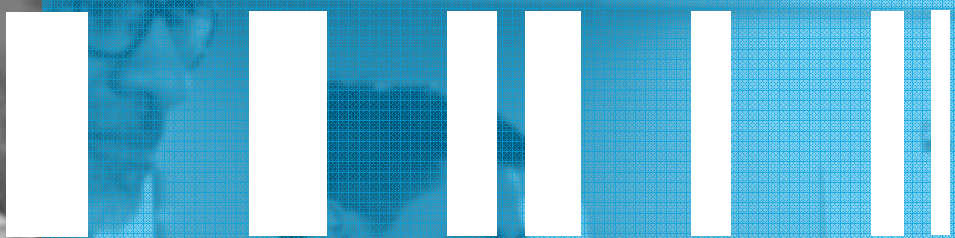
Coronavirus Aid, Relief, and Economic Security (CARES) Act

USA: extending unemployment benefits to workers not covered

USA : deadlines for dismissing employees are very short

USA: high unemployment rate

USA: large workforce returing to new jobs under uncertainty



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The role of PES in
Covid-19 crisis and
shift towards
economic recovery



Important role in the crisis response



- Employment services have an important role in the Covid-19 economic crisis response



- Direct contact with employers, jobseekers, as well as policy makers and may have contact with wider stakeholders (e.g. trade unions, membership bodies)



- Have the potential to play an important role in the functioning of the labour market



- PES Regional Training Manual an important resource



Matching process will become more important in the recovery process

- PES core role of placing people into jobs quickly and efficiently will be emphasised
- Widen jobseekers' horizons
- Streamlining and improving systems to improve matching process
- Work with partners to do this more efficiently

PES across the world have taken steps to improve matching:

- Dedicated websites for vacancies where employers have immediate hiring needs
 - United States of America 'Need a Job Now' (<https://needajobnow.usnlx.com/>)
 - UK 'Pick for Britain' (<https://pickforbritain.org.uk/>)
- Highlighting priority vacancies in online vacancy databases with special hashtags
 - Belgium, Germany and Sweden
- Telephone contact with employers to collect information and offer employers advice:
 - Netherlands, Germany, Norway



PES need to respond quickly to changes

- **Agile and flexible use of resources**
- **Remain in constant contact with all groups:**
 - Encourage jobseekers to be 'job ready'
 - Collect information on potential vacancies from employers
 - Communicate with wider stakeholders to raise awareness of PES services and inform them of new developments

Country example: Reallocation of resources in Germany for short-time working (STW) initiative

- Received a **1000% increase in STW claims** within three weeks
- **Transferred staff** from other teams (e.g. youth workers) to STW team – in one regional office alone, STW team **expanded from 10-20 people to 200 people**
- Trained 'new' staff **online** and developed **new leadership structures** within the team
- Received **positive feedback** from clients and observed **reduced sickness** level in staff

Working with partners to develop exit strategies



- Partnership working important aspect of PES delivery

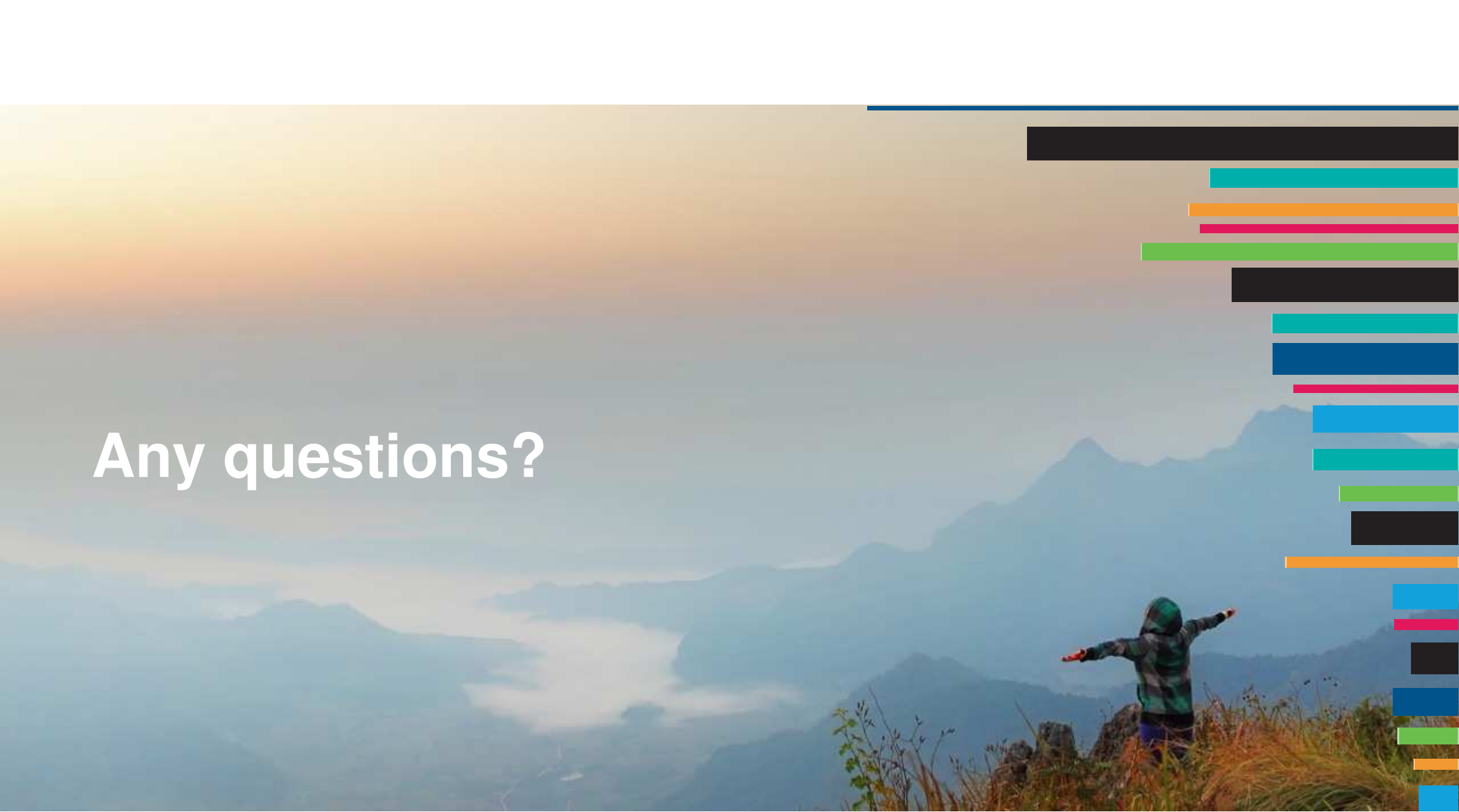
▪ Consider next steps and exit strategies

- How can PES and their services **be ready** for the recovery process?
- What steps can PES put in place for an **exit strategy**?
 - What are the **most important groups of jobseekers** to focus on?
 - Which economic **sectors** have the most vacancies?
 - What **training and other support** is needed to help jobseekers fit into the sectors that are expected to grow? Who can PES work with to do this?
 - What's the **future of online services**, compared to face-to-face services?



- No 'proven' best practice as yet but lessons can be learned from other approaches





Any questions?

