

Comparative study on Western Balkans PES performance

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Executive summary

Aim and methodology

This study reviews and compares the performance of public employment services (PES) across Albania, Bosnia and Herzegovina, Kosovo,^{*} Montenegro, Serbia and The Former Yugoslav Republic of Macedonia, based on existing research and the systematic qualitative assessment of each PES. Conducted for the first time in the Western Balkans, the assessment used the benchlearning methodology developed for the EU PES Network. This involved a self-assessment and an external assessment based on a template that systematically describes PES activities and processes that can influence PES performance (called “enablers”) and compares them to a theoretically defined ideal. The qualitative assessment and comparison of enablers contributes to strengthening PES capacities in the Western Balkans by supporting reflection on PES performance in a systematic way.

The labour market challenge

Despite recent growth in employment, the Western Balkan economies are still characterized by low employment and high unemployment rates. The existing evidence suggests that difficulties in the Western Balkans labour markets are predominantly structural, implying not only low labour market participation but also high rates of youth and long-term unemployment. Informality, inadequate education, migration, and the gender gap pose further challenges to the PES in the Western Balkan economies. Though there are notable differences across the countries, the main challenges are essentially the same.

In response to these challenges, the South East Europe 2020 strategy calls for job creation policies and the development of labour market institutions. This may involve strengthening PES, which currently have relatively little room for manoeuvre. In most WB countries the PES is subordinated to the ministry responsible for labour and social affairs and has limited

^{*} This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.



autonomy, caseloads are high and expenditure on ALMPs is low compared to post-socialist EU member states and especially to the OECD average.

The enablers of PES performance

According to the external assessment, PES in the Western Balkans are comparable to most post-socialist EU Member States in terms of the activities and processes that can influence their performance. The Western Balkans PES score relatively high on the sustainable activation of the unemployed, managing transitions between unemployment and employment, the design of operational procedures, job matching tools and partnerships. In particular, process standardization and ICT are fairly well developed across the region. Strategic performance management and resource allocation score around the average, while the weakest area is evidence based design and implementation. In particular, most PES are weak in quality management, the effectiveness of ALMP, evaluations, engaging employers, and resource management.

In the EU PES Benchlearning exercise, six enablers were found to be closely correlated with good performance in terms of reducing the unemployment of youth as well as of the low skilled. Most PES in the Western Balkans score below their own average in these most impactful six enablers. The weakest of the impactful enablers are 'making use of the results of performance management' and ex-ante and ex-post evaluation, which requires that the PES combines the information delivered by a sound performance management system with a transparent and comprehensible ex-ante evaluation of specific service designs. The strongest impactful enabler concerns the 'implementation of a support structure' that enables and informs process implementation, which presupposed a well-functioning IT system.

Lessons for benchlearning in the Western Balkans

The relatively well-developed IT systems seem a good basis for further development in a number of areas. Namely, the PES could make significant progress in the short and medium run if additional efforts were devoted to developing (1) profiling systems, (2) matching tools that support automatic matching on competencies and (3) impact evaluations to support the design and implementation of services and ALMP. A next step in the medium term may be to further develop online services. A more difficult but necessary step seems to be the strengthening of performance management and especially the feedback mechanisms, i.e. that problems are not only detected but the adequate steps are taken to adjust service delivery processes and tools.



The labour market challenges that most PES are facing call for significant adjustments in PES practices beyond the above outlined areas, which may also require substantial investment and political support. First and foremost, the PES may significantly contribute to increasing employment by providing the training of low-skilled job seekers. This would necessitate a significant increase in funding; a strong quality assurance framework; building partnership with schools, training providers and employers; and developing incentives for employers to offer work-based training.

Though the main strengths and weaknesses are common across the region, there are considerable differences across the PES in particular aspects of their performance and practically each PES has some good practice that may be inspiring for other PES in the region. This allowed us to identify topics for benchlearning and for each topic identify the countries that may be a model for the others.

