

# EU Network of Public Employment Services

## Strategy to 2020 and beyond

### Preface

This document revises the previous PES 2020 Strategy Paper which was adopted by the previous Heads of Public Employment Services (HoPES) Network in 2011. It presents a common strategy to be endorsed by the PES Network, builds upon and updates the earlier document. Thereby it takes into account the changing environment and labour markets since 2011 and the key changes which the PES will be confronted with to 2020 and beyond.

Based on the challenges Public Employment Services (PES) are facing, a vision and mission has been updated to state the goals of the PES Network from delivery of its strategy, which demonstrates a common view on the changes in the role of PES.

As a living document, it will need to be regularly adapted according to revisions to the European policy agenda as well as for business and labour market developments.

### Background

European PES continue to operate in an environment of increasingly rapid labour market change especially driven by technological developments, the consequences of a global economy and international interactions. They are required to transform services to meet the challenges of structural and frictional unemployment. The Decision by the Council and the European Parliament to maximise efficiency of public employment services (PES) in May 2014 has given a formal legal entity to the former network of Heads of Public Employment Services (HoPES). This change has fostered a growing Network collective identity, with a shared vision and strategy, being implemented in PES to meet the requirements of their specific situations and institutional settings. Recent years have seen a considerable growth in collaboration between PES exchanging expertise to support modernisation of their services. This has included a need to deliver a broader social mandate, especially in regard to the integration into the labour market of previously inactive persons.

Confronted with various changing environments, as well as with explicit responsibilities and expectations, the PES Network can benefit from a clear statement of its vision and mission to improve labour market functions and to direct its activities to best serve citizens across Europe through PES.

The document sets out the changing environment, elaborating labour market developments and, following on from this, describes the PES Network vision and mission for delivery of European Employment policy beyond 2020. It presents a common view of the evolving role of PES which considers consequences for their delivery models. The paper thereby considers the differences in institutional settings, objectives, product portfolios and the structures of individual European PES. Finally it provides a description of the operational impact for PES, concluding with a summary of main issues underlining the need to follow pathways of change to achieve the strategic reorientation of PES.

## 1. Changing environments

Well-functioning labour markets are an essential driver for sustainable growth necessary to maintain social welfare support systems. At present the external environment within which employment systems operate is undergoing a significant transformation with trends including: rapid technological enhancement within times of industrial transformation, changing working life with new forms of employment, demographic change, increased migration, different career patterns, new social attitudes of (younger) jobseekers, and the continuing low participation rate amongst vulnerable groups. As a result of these changes, certain individuals face employment barriers which PES have to identify and address. The world of work is consequently undergoing a rapid change and it is vital that policy instruments support reforms needed to ensure that institutional developments keep pace with such developments.

**Technological developments** are certain to have a major impact on the labour market and social security. Modern service delivery is now fundamentally IT-dependent and is influenced by new software, new tools for data-collection, data-mining and data-exchange, and by alternative communication and collaboration channels. These technological innovations also alter basic labour market mechanisms such as the way employees are recruited or the way job seekers apply for a job. They will create new business models and new types of jobs; PES will need to understand these changes and prepare and match jobseekers to new modes of employment. Furthermore, PES need to be prepared themselves for new jobs which will require higher levels of qualification and different skills than more traditional occupations. The level and speed of absorption of new technologies may also produce gaps between countries, individual PES and jobseekers. This is manifest now in the collaborative or so-called 'gig' economy with the rise of different digital job mediation platforms. As big data and analytics play an increasingly important role there are opportunities, as well as challenges, for PES in using these to support jobseekers to enter the labour market. Technology is advancing much faster than anticipated.

**Automation** and the increased use of artificial intelligence will create change across all sectors of employment, and the pace of this change will determine how easily the resulting structural change and its effect on the labour market can be handled. Such technology has a potential impact not just upon low-skilled workers, but also on white-collar jobs. The challenge for the PES will be to ensure that adequate provisions are put in place to help workers adapt to the changing work environment and facilitate the development of their new capabilities and competencies.

The process of **population ageing** in Europe is accelerating and despite formal retirement ages rising across Europe, the balance between people of working age and retirees has started to shift. As a result, the active working-age population is projected to contract and workforce availability will be jeopardized, even if this partly may be compensated by inflows from the unemployed and migrants. There are however also many opportunities for an older workforce, notably people shifting careers as they enter different stages of their life, contributing more to society including through voluntary activities. Consequently, PES will have the opportunity to facilitate matches, engaging with job seekers regardless of their age and maximise the potential of older workers in society. The challenge for policy makers and PES will be to ensure that older workers have access to instruments to maintain a skilled older workforce.

Populations across Europe are also changing, with **increased migration** flows. In addition, it is incumbent on Member States to fully integrate refugees with a right to stay in society and through labour market integration enable them to participate in and contribute to their host country. PES will need to support this agenda as well as continuing to address the needs of jobseekers moving within the European Union. While this poses a challenge for PES across Europe there are also many opportunities to meet future labour shortages including those which will result from an ageing population.

The changing environment also includes **young people** who are entering the labour market with markedly different attitudes to and expectations of work. Career paths are now more transitory than they were in the past, with fewer people staying and progressing in one organisation for the entirety of their working life. Young people now grow up in a world that is permeated by technology, information and constant innovation. A more connected world affords them many opportunities, through a global outlook and access to new networks and skills.

There are **continuing low participation rates**, disproportionately affecting certain groups and gender inequality continues in the labour market. Although well-known, the insufficient participation of low-skilled young people, people with caring responsibilities, people aged 55 and older, migrants and their children, women, disabled people, the long-term unemployed, people in poverty and other disadvantaged groups, remains a structural problem. In addition, a widening educational gap is manifest.

PES have an important role to play in combating social exclusion, enabling citizens' economic independence through activation and upskilling competences, integrating jobseekers, and working in tandem with other agencies to contribute to the development of an inclusive society.

Finally, as social perception on the role of government agencies and public services shifts, some Public Employment Services face **uncertain political decisions** concerning their long term funding and range of activities. Being subordinate bodies to national Ministries, PES require optimal policy maker's support on continuation of their business activities as part of evolving and changing processes that deal with the new world of work in its potentiality and unpredictability.

## 2. Changing labour markets

PES are expected to cope with present and future challenges at the same time, where possible anticipating, and as a minimum reacting swiftly, to changing circumstances. It is necessary to combine short time interventions with sustainable solutions, which calls for flexibility, organizational responsiveness, creativity and cooperation with partners. PES can anticipate and influence labour market changes proactively by information exchange with policy-making bodies, local authorities and working with the private sector.

In past decades the consensus has been that PES should be playing a more active role in reducing dependence on unemployment benefits and promoting the (re)integration of the unemployed and the inactive including through skills improvement. PES furthermore should support an increasing employment focus in the delivery and design of welfare systems. In response to fundamental changes in our labour markets and society, a new set of PES roles are gradually emerging. These are intended to support customers throughout their entire work careers. This shift away from the dichotomy 'unemployment-employment', stems from the '**transitional labour markets**' (TLM) paradigm. At the same time, policy makers have been in search of a new balance between flexibility and security - or '**flexicurity**' - for employers and employees to reduce the potential for disruption

and more precarious situations from labour market restructuring. Both approaches can be considered as responses to the increasingly volatile labour market and its consequences for social security.

As a result of changes in the nature of work and in labour markets, employment relationships have become far less stable and diverse **transitions** are made over a career into, within and away from the labour market. These transitional labour markets bring along new **social risks**, which tend to have a disproportionate impact upon disadvantaged groups. These include risks of low earnings capacity due to lack of education, income volatility due to fluctuating demand and job-to-job transitions, total income loss due to involuntary unemployment, restricted earnings capacities due to social obligations such as child care or elderly care, and reduced or zero earnings capacity because of disability, chronic illness or old age.

The new reality of the transitional labour market requires commensurate policy responses in order to enable citizens to cope with risky transitions and improve their working lives. The concept of "**positive transitions**" offers a solution and involves a self-reinforcing process of further investment in the employability of citizens. Thereby, **labour market and skills mismatches**, resulting either from over- or underskilling will remain a challenge. All labour market actors should collectively address persistent mismatches. Enhancing workplace learning can be promising as part of an overall approach to better coordinate education and employment systems.

Along with the developments taken up so far, (public) organisations have to deal with growing expectations of their customers and adapt to their changing needs. Applied to the role of the Public Employment System<sup>1</sup>, the TLM approach represents a threefold renewal with regard to the conventional function of social security systems:

- A combination of active and passive measures, merged into the concept of '**active securities**'. Instead of passively compensating for income losses and protecting jobs, governments should actively invest in the human capital of individuals and in work place environments. This combination enables PES to pursue activation policies with sustainable outcomes.
- An **anticipatory role** in response to potential career transitions. Instead of enforcing job-to-job transitions, governments should focus on supporting workers' careers by supporting them with their development and progression. PES should enable transitions from and within work centred around an individuals' needs.
- A shift from the traditional role of job matching to a relationship with a customer that consists of **facilitating, coaching and conducting**.

In addition to these three approaches for the renewal of the conventional PES functions, a fourth shift is also occurring, namely to a **more labour demand orientated** service. In view of increasing recruitment difficulties, the efficient and inclusive activation of jobseekers has to be combined with a profound understanding of labour demand and qualitative assistance for employers. The increased attention to the needs of employers is also favourable for the unemployed as they are better assisted in directing their careers towards realistic prospects. Close cooperation with companies is also creating opportunities to employ more vulnerable jobseekers.

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<sup>1</sup> Using the term 'Public Employment System' instead of 'Public Employment Service' helps to transcend various institutional settings for public employment service provision that exist in specific national contexts. At the same time, the term expresses the idea that the governance of labour markets is not achieved by a single ministry or public agency, but through network formation.

Linked to this, the other labour market change is the rise of the **collaborative, or 'gig', economy**. This is generating new employment opportunities and revenues beyond traditional employment relationships, especially a growth in independent working. Therefore PES should offer services which take into account people seeking self-employment opportunities. This will enable people to work more flexibly and more to become economically active where traditional forms of work have not been suitable for them. To both respond to and take advantage of this trend PES will need to offer services which assist those seeking to work independently, including potential entrepreneurs, and promote these types of new work patterns to jobseekers who may be able to benefit from such opportunities.

Growing interdependencies between national labour markets within Europe call for more international cooperation between European PES. In view of optimizing the functioning of the **European labour market** as a whole, the underlying differences between national and regional labour markets have to be governed and even exploited. Changes in the role of Public Employment Services/Systems have also to be translated into a European context.

This means, that the vision and mission for the PES Network needs to be defined.

### 3. Vision and Mission

**Vision:** The Network vision is to be the vehicle for enhanced European PES cooperation enabling them to deliver their role as labour market conductors, contributing to European employment strategies, improving labour market function and integration and creating better balanced labour markets.

**Mission:** The core purpose of the PES Network is to promote modernisation of PES, encouraging optimum use of evolving technology and enhanced data sources, assisting them in adapting their role and function contributing to implementation of EU employment policies and strategies. It will achieve this through continuing to strengthen and encourage co-operation between PES, thereby:

- Increasing their capacity to enhance labour market function
- Boosting labour demand, including through encouraging voluntary mobility
- Using labour market information to anticipate demands
- Preparing the labour force for active labour market participation and skills development

## 4. A common view on the strategic changes in the role of Public Employment Services

### 4.1 A holistic approach to tackle new labour market challenges

PES across Europe face a number of challenges including lifting the employment rate and reducing the number of bottleneck vacancies. These challenges need to be addressed by investing in strong and sustainable active mediation. The main objective can be summarized as: “more people need to work longer and differently”.

To reach this objective, PES should approach labour demand and supply from a more **holistic point of view** which takes into account the multiple transitions arising in the labour market and during individual careers. PES could adopt such a holistic perspective by building bridges and transcending institutional and geographical boundaries.

Citizens have changing or even increasing expectations in regard to the quality of public services. In PES this has to be reflected in a growing culture of rights (to a certain level of personalised support) and responsibilities (an obligation for collaboration and activities directed to work).

Bridging career transitions is first of all a matter of **empowerment**. Jobseekers and job changers need to be enabled to build bridges themselves, to take control of their own careers. However, they - especially vulnerable groups - need to be supported and given the tools to enable them to do this effectively; such tools include support for developing self-awareness and assistance for progressing in work and guidance to ensure they have relevant skills for the future labour market. Transition support also needs to be directed towards employers. Small and medium sized enterprises in particular are often in need of more intensive support in publishing skill based and attractive vacancies, developing skills-based HR management systems, and generating measures to ensure staff retention.

A holistic approach to work and the intention to build bridges across different career transitions will transform and boost the matching of labour demand and labour supply as the core business of PES. This could include an 'after care' service to ensure that jobseekers remain and progress in work once they have been matched. Taking into account all kinds of skills acquired during career transitions, for example, will greatly expand the scope and quality of the matching process.

PES will have to deal with a broader customer agenda – potentially those already employed, including those in the collaborative economy with uncertain levels of work – and inactive people who do not currently engage with them. There will need to be an enhanced emphasis on a career management approach to ensure citizens retain a constant labour market attachment; addressing these changes will require new approaches, improved communication with customers and transformed service offerings.

#### **4.2 PES should collaborate with partners**

PES services can be enhanced by working with a range of actors including:

- Private Employment Services (PrES)
- Temporary Work Agencies (TWAs)
- Non-governmental organisations (NGOs)
- Education and training providers
- Social support service providers (e.g. Social Insurance, Housing Agencies, Health Services)
- Employers and Employer organisations
- Social Partners
- Local stakeholders/ communities

In order to build bridges with partners, the PES role should change from provision towards commissioning services, bringing together the most effective and efficient of these to meet specific labour market needs. Such service delivery can be organized with a combination of different actors in order to meet the needs of citizens and companies more flexibly and accurately. This can also include contracting out services where they can be delivered to higher quality and with better outcomes to customers.

The **cooperation** of public and private, commercial and non-commercial agents needs to be facilitated to achieve policy objectives and guarantee a smooth functioning of the transitional labour market. Strengthening partnerships with Private Employment Services can allow better matching and

transition support opportunities for customers providing an efficient way of offering quality support services to increasing number of customers. Employers are key partners of the PES who will need to work increasingly closely with them to orientate their services towards achieving the best possible match with employer demands and needs.

In this respect, PES take on a **conducting role** as a catalyst for achieving maximum organisational responsiveness. This conducting role consists of:

- Analysing labour market needs
- Comparing labour market needs with the service offer of labour market actors
- Connecting needs with service offers, or (when no suitable offer is available)
- Making strategic decision between service offers
- Building bridges with other labour market actors
- Complementing or substituting in-house services with external service provision as appropriate

The fulfilment of these ‘conducting functions’ has to be aligned with a customer-oriented view. Ascertaining this perspective necessitates collecting systematic feedback from customers and involving them in service design. The range and intensity of the conducting functions adopted by the different European PES may vary, depending on their national circumstances, but showing ambition in guaranteeing an optimal functioning of the labour market implies functioning as a conductor.

#### **4.3 PES should act to join up the skills and education agenda**

One of the main career transitions that has to be bridged by conducting, in order to get more people to work longer and differently, is the transition between the labour market and education or vocational training. Jobseekers must be better prepared for the changing labour market and workers must learn to embrace adaptability and flexibility, rather than become discouraged. Most industrialised countries have rigid education systems which have failed to prepare people for this reality. Information should be better shared among all labour market actors. This could also mean PES improve collaboration with employers, schools and universities. Lifelong learning, suitable training, and access to careers advice for people who are in work are all necessary so that workers can adeptly navigate the changing labour market and make transitions that best suit them.

Investment in Basic Skills, though important, is a first step, and is not enough in itself to transform labour market operation. Education systems and labour markets must be more closely aligned and investment in transformative skills is needed. Access to lifelong learning will become increasingly necessary for workers to adapt to the pace of technological advancement.

PES have an important role to play in addressing the issue of low skill levels including by developing links with other skill providers. This is part of an agenda to transform the workplace into an environment where skills, training and life-long learning are fully integrated to the benefit of all stakeholders.

In order for PES to best prepare jobseekers to manage occupational shifts they will need to be increasingly aware of labour market trends, skill shortages and gaps, and both, occupational and geographical mismatches. Improved profiling and matching, and personalised guidance where necessary, will need to be provided. In depth social support will be required for customers farthest from the labour market to assist their integration and reintegration trajectories. PES should thereby encourage autonomy for those customers with less intensive support needs by providing self-service delivery channels for these more independent citizens, and by encouraging them to manage their

careers, increasing capacity to meet the more complex needs of those with greater barriers to employment.

#### **4.4 PES should focus on sustained outcomes through secure professional transitions**

PES traditionally focus on salaried regular as opposed to freelance employment. This will not be sufficient to equip all customers to cope with the future challenges of a rapidly changing labour market. Some PES have a role in referring customers to vocational training and education, this needs to be extended to offering support to self-employment. PES should focus on prevention and early interventions. Secure professional transitions require an emphasis on sustaining employability, not necessarily sustaining specific jobs, and as such some employers and workers need assistance to enable this. The idea of a job for life is increasingly rare and future career patterns will increasingly involve several changes of employers during a working life. To ease this transition an appropriate balance between flexibility and security should be sought so as to optimise labour market operation.

PES need to be increasingly aware of the evolving situation in a rapidly changing labour market, utilising sound labour market information to match job seekers to more sustainable outcomes. In part this must include working with employers and all relevant labour market actors to understand their needs, promote good practices, and develop appropriate policy responses. Employers will need to respond to labour market transitions, including demographic aspects of work force development and appropriate skills investment. PES can support them in this role including assisting them in dealing with labour shortages and encouraging them to work with unemployed people and vulnerable groups such as older jobseekers, the young unemployed, long-term unemployed and migrants, as part of their recruitment strategies.

#### **4.5 Career management tools for sustainable integration in the labour market**

Constructing solid bridges, however, does not only help PES cope with current challenges and ameliorate mediation between labour supply and labour demand. It allows them to, at the same time, prepare the labour market for the future and to move from a reactive to a proactive *modus operandi*. In order to increase career security PES should actively promote, and encourage employers to promote, career management techniques. PES must also be an exemplary and positive role model in terms of the career guidance training and support which they provide for their own staff, as well as in the use of digital tools they offer to their customers.

Career management starts with the development of such skills during education. It continues when school leavers and graduates enter the labour market, possibly accompanied by vocational training. Career guidance services are offered when employees face dismissal or redundancies, when they decide to change jobs, or when they want to combine work with learning or caring. Career guidance services try to help job seekers make a sustainable transition to employment or between jobs. However, career management support can also be provided to companies, for example when they have plans to expand, have to contract, mergers are being implemented, or when their business orientation or labour organization changes.

PES already provide access to career guidance services, especially for those that are far removed from the labour market (e.g. NEETs). Providing information about evolutions in labour supply and demand can help both employees and employers to identify skill gaps and develop broader perspectives. By directing them towards specific career guidance services they facilitate labour market transitions and build bridges to provide sustainable solutions to matching problems and specific policy objectives.



## 5. Operational consequences for PES

Establishing a common vision does not mean that the operational consequences will be the same for each PES, as these will also depend on the country-specific context. In order to be able to react flexibly and accurately to the numerous changes that may take place both internally and externally, PES will have to transform and innovate, taking into account the foundations for building bridges that are already in place. Cross border cooperation in a European context offers many advantages in this respect.

Regardless of national settings, realising the present and future changes in their role and function will entail substantial transitions with a profound impact on both service delivery and the entire governance and business model of the PES. PES will need the capabilities and the capacity to ensure maximum labour market policy impact regardless and because of the volatility of economic, social or financial circumstances. Therefore operational flexibility will be of the utmost importance. If their systems and services are not designed for agility and organisational responsiveness, PES will fail to react efficiently and effectively to unceasingly changing public and political demands and will lose their relevance in the present competitive environment.

Flexibility can be achieved in various ways, including the integration of services, network management, digitalisation and multi-channelling, customer segmentation, organizational restructuring, the introduction of enterprise architecture and reducing “red tape”. The evolution from bureaucratic oriented organisations towards more flexible, open, market and network oriented structures must continue and requires a mental and cultural shift, both in terms of business modelling and individual ways of working. At the same time, policy development should include considerations on its implications for policy delivery mechanisms.

Being employers themselves, PES will be challenged by the same recruitment and retention difficulties as the rest of the labour market. But as visible talent brokers, they will have to act as a model of the intended labour market recruitment behaviour they expect from all employers. Fostering sustainable HR management approaches will be crucial to maintaining quality services and maximum labour market policy impact. The keys for sustainable HR development are well-elaborated internal system for training and learning and quality work innovations addressing the needs of all age cohorts.

### 5.1 Key approaches

PES need to be flexible, evidence-based, employment outcome focussed organisations. Their primary objective is promoting work for and with their customers. They will ensure a continual employment focus, taking into account labour market intelligence and future skills needs in order to deliver the mandate provided to them by their governments. Certain PES values will be specific to their organisations but PES will also share common values of equality, honesty, reciprocity, respect, social responsibility, and engagement as part of a European Network. In order to put the long term strategy into practice, PES will translate these into daily service delivery through professionalism, and will need to promote the following key approaches:

- **Customer oriented services:** Services offered to both job seekers (people both unemployed and in work seeking to change jobs) and employers need to be tailored to their individual needs and requirements as much as possible. Services should be designed around meeting individuals' needs not "one size fits all" models aimed at broadly defined user groups. Personalized services

not only improve customer satisfaction and the effectiveness of PES interventions, but also promote cost efficiency, allowing resources to be used more effectively.

- **Inclusiveness:** PES should offer customer orientated services that are free and accessible for all citizens and companies. This includes ensuring that the shift towards digitalised services is not to the detriment of citizens and that appropriate measures are in place to support people who need help with digital and financial inclusion.
- **Empowerment:** The changes foreseen in the labour market will affect customer as well as PES staff, both in terms of changes in the way they do their work and in their own job security. PES should invest in the empowerment of both, customers and staff enabling them to build on existing skills and strengths, and to actively manage their careers. PES should promote life-long learning, the development of competencies, and acquisition of qualifications for customers as well as their employees. Initiatives which foster community within and between PES should be encouraged to enable PES staff to share experiences, enhance their knowledge and thus, find local solutions to local problems. This should lead to improved services as well as to a sense of solidarity in their work.
- **Innovation:** PES are keen on stimulating service providers to explore and develop new products and methodologies. This involves creating new partnerships and making a better use of existing ones across the labour market, as innovation helps them to present alternative solutions to social problems. Partnership projects, experiments, and peers sharing good practices, should inspire PES to review and renew service design, and enhance organizational maturity, especially through promoting digital delivery.
- **Integration and interoperability:** PES should be capable of and willing to integrate products and services developed together with partners, including customers. Exchanging knowledge and information both with stakeholders at Member State level and between European PES can encourage innovation and provide strong leverage to improve the implementation of European employment policy and strategy.

## 5.2 Building a solid business case

In view of budget constraints, knowledge on “what works” allows PES to ensure and generate the most efficient measures. A strong Network brand and identity can strengthen the impact of individual PES actions and promote PES in their objective of becoming the best labour market performer, appreciated and followed by their labour market partners. Developing this knowledge is important for reaching the objectives of European employment policies and strategies, and for gathering, administering and communicating the PES mandate, in particular for policy makers and PES staff.

They have to show what they have to offer and how they can achieve a valuable return on investment at several levels:

- For the unemployment benefit and the social assistance schemes: reduction of spending on passive labour market policies
- For the overall economy: better and faster matching into sustained employment and the reduction of benefit dependency
- For overall society: better options for the youth, participation and social stability, reduction of social exclusion and marginalization

Building a compelling business case depends also on the efficiency and effectiveness of the **governance and business model** PES rely upon to make sure that strategic changes actually happen. This includes accurate forecasting of labour market needs to generate and maintain a support for PES operations from all stakeholders.

## 6. Conclusions

PES should further initiate, manage and implement their **pathways of change** to realise strategic reorientation. The external environment consists of rapid and uncertain change and PES will have a key role not only in brokering relationships between citizens and employers, but also in supporting citizens to actively manage their careers and adapt to the new world of work. By being aware of these future changes and proactively changing their operations to correspond to these, PES will be able to transition into a new role to match the challenges of the future. In summary, this means:

- For managing transitional labour markets PES should pursue an activation policy with sustainable outcomes. At the same time, PES have to focus more on the demand side of the labour market. A shift is needed towards closer cooperation with employers.
- PES need to build bridges across career transitions in order to "make transitions pay". This includes pursuing close interaction with various stakeholders in the fields of education and vocational training, and especially with employers, raising awareness of sustainable outcomes. PES can construct bridges with career management services enabling job seekers to cope with career fluctuations.
- To ensure maximum labour market policy impact, PES have to operate with a higher level of agility and flexibility considering the key approaches outlined here. PES need to offer a convincing business case to demonstrate their added value.
- To guarantee optimal labour market operation, PES should acquire a mandate to fulfil conducting functions. Thereby several levels can be distinguished, starting from a thorough understanding of multiple transitions which continuously present themselves on the labour market, a clear view on services offered by labour market actors, and maximum disclosure and use of labour market intelligence. Conducting also implies stimulating labour market actors to cooperate and innovate, collaborating closely with public or private partners, and aligning labour market actors with labour market policy.