

## Thematic Workshop

# Digitalisation of the Public Employment Service and the Labour Market Administration

**Date:** Thursday, June 27<sup>th</sup> 2024, 9:30-15:00 CET and Friday, June 28<sup>th</sup> 2024, 09:00-12:00 CET

**Venue:** Hotel Podgorica, Podgorica, Montenegro

## Report

The Thematic Workshop was hosted jointly by the Ministry of Labour and Social Welfare, Montenegro, and the Federal Ministry of Labour and Economy, Austria.

The workshop focused on the topic of digitalisation in connection with the Public Employment Service (PES) and the Labour Market Administration in general, with a specific focus on the Youth Guarantee. Specifically, within the framework of the workshop, good practices were exchanged between countries in the Danube Region with different levels of digitisation, and possible applications for digital services and tools were explored, which could be integrated into the labour market administration of Candidate Countries in the Danube Region.

## Participants

A total of 28 national policy makers, representatives of the labour market administration and country experts from Montenegro, Bosnia and Herzegovina, Republic of Moldova, Serbia, Hungary, Slovakia, Slovenia and Austria participated in the workshop. The workshop was facilitated by Sead Šahman.

## Day 1, Thursday, 27<sup>th</sup> June 2024

### Welcoming Words and Introduction

**H.E. Karl Michael Müller** (*Ambassador of the Republic of Austria to Montenegro*) welcomed all participants to the workshop. In his opening speech, he pointed out the central role played by the EUSDR in offering all citizens in the Danube Region better prospects of education, employment and prosperity in enabling more efficient funding and closer cooperation in the region. From 1 November 2023 to 31 December 2024 Austria holds the Presidency of the EUSDR and has successfully hosted the Annual Forum of the Danube Strategy, demonstrating to what extent the participating countries are committed to a closer cooperation in Central and Southeastern Europe and to an ever-closer European Union. Moreover, he emphasised Austria's strong commitment to supporting the EU enlargement on the Western Balkans as well as facilitating the dialogue with the Candidate Countries of the Western Balkans on their way towards the European 'family'.

**Ivana Šućur** (*Ministry of Labour and Social Welfare, Montenegro*) welcomed everyone to the workshop and expressed her gratitude on behalf of the Ministry of Labour and Social Welfare of Montenegro to the Austrian colleagues for the ongoing support within the framework of the EU accession process as well as for the good cooperation. She stressed once more the great

significance of this workshop for all participants, providing a setting for exchanging good practices and mutual learning.

**Jörg Mirtl** (*Federal Ministry of Labour and Economy, Austria*) welcomed all participants to the workshop on behalf of the Austrian Federal Ministry of Labour and Economy and thanked the Montenegrin colleagues for the opportunity to host this workshop in Podgorica. Looking back on the cooperation between the Austrian and Montenegrin ministries to date, he recollected that the idea for this workshop arose during a working visit of the Montenegrin Minister of Labour, Naida Nišić, and the Austrian Minister of Labour, Martin Kocher, in Vienna last year, during which Austria offered to support Montenegro's accession process. Against this background, the workshop was organised to share experiences from Austria and discuss them not only with Montenegro, but also with representatives from further Candidate Countries such as Bosnia and Herzegovina, Serbia and the Republic of Moldova, as well as other EU Member States, like Slovenia, Slovakia and Hungary. He pointed out that one focus of the EUSDR Priority Area (PA) 9 "People and Skills", which is jointly coordinated by Austria, the Republic of Moldova and Ukraine, is to intensify the cooperation in Labour Market Policies, for instance through cooperation between labour market stakeholders to enhance relevant reforms. Moreover, within the cooperation in labour market policies, PA9 focuses on Digitalisation and Innovation in the World of Work, which is of utmost importance when it comes to making the Danube Region an attractive macro-region, where citizens enjoy both competitive and inclusive labour markets and high-quality jobs. This is precisely where this workshop comes in, with an exchange of experiences between EU Member States and Candidate Countries on two relevant topics, namely the Digitalisation of Labour Market Administration (e.g. Artificial Intelligence) and in particular the implementation of the Youth Guarantee.

### Thematic Input

**Julian Hiebl** (*Public Employment Service, Austria*) gave an overview of the status quo of digitisation in the Austrian labour market administration as well as the efforts currently underway in the Austrian Public Employment Service to further improve and increase the degree of digitisation of its services. The Austrian PES is proud to offer a modern and broad IT landscape serving different channels and consisting of a wide range of components, external systems and business and customer applications as well as applications with supporting functions and for analysis or reporting purposes. Nevertheless, over the course of the last decades some huge challenges had to be solved, caused by changes in service providers. Drawing on the experiences with the digitisation process, he shared some key learnings with the audience. First, he pointed out that a stable IT operation is an essential prerequisite for IT modernisation and that a step-by-step implementation of reforms and upgrades should account for complex dependencies within the system as well as guarantee operable solutions at any time.

For the Austrian PES, the IT modernisation process is still ongoing, as illustrated in an approved IT Roadmap that envisions the renewal of over 100 applications between 2022 and 2025. This reform is being implemented in eight streams focusing on activity areas such as job placement services, customer relationship management, knowledge management, controlling etc. The main priority of this digitisation initiative is to redevelop customer-oriented IT services. Additionally, it also aims to explore the potential of IT support for optimising processes within the PES in order to increase efficiency. These changes should occur while at the same time meeting the growing technical demands on modern IT and ensuring stability, flexibility and security of the system.

An example for a recently finalised new feature is the “Skill Matching” application addressing AMS clerks, designed for matching job seekers with job offers based on assigned skills. “MyAMS” is a service currently under development, which should serve as a central, personalised entry point to access all digital services for all PES users, including individuals, companies and partner institutes.

**Blanka Rihter** (*Public Employment Service, Slovenia*) presented main learnings drawn from the digitisation of the Slovenian labour market administration. She emphasised that within the Slovenian PES, IT represents the highest priority in terms of planning and business continuity. At the moment the Slovenian PES operates paperless in almost all work segments and almost all its applications and activities are currently digitised, with all IT solutions being connected in an overall system. In order to ensure interoperability, the PES uses application building blocks, which are interfaces provided by the state that can be connected to own IT solutions and custom-developed web services for data exchange between institutions.

The PES has different approaches for application development, as some applications are being developed internally, others are being outsourced or bought externally.

The digitisation process started in 2005 with the launch of the first application for job matching and working with unemployed persons. This application is currently still in use, however, is being adapted constantly in line with technical improvements and according to legislation changes.

The PES took a next major step in this process in 2007 with the development of application for implementation of active employment policy measures. In 2011, a portal for e-services for job seekers was introduced, followed by a portal for employers in 2014.

A recent major modernisation effort relates to the technical and substantive renewal and upgrade of the PES website two years ago, the implantation of identification and authentication processes for online registration and e-signature of documents and the modernization of job mediation tools.

Additionally, there is ongoing comprehensive modernization of online services for job seekers, employers, and career counsellors, which will establish e-services as the primary method of connecting with clients. The PES is also developing a labour market platform for forecasting labour market trends and analysing the gap between demand and supply in the labour market. At the moment the digital portfolio of the Slovenian PES consists also of a large variety of applications designed to support business processes, for instance application for granting of unemployment benefits, for processing work permit applications, or the planning and executing of public procurement, etc.

In connection to the implementation of the Youth Guarantee in Slovenia, the PES uses digital tools for managing the programme and for preparing reports.

In Slovenia, the main access point for entering the youth guarantee scheme is the unemployment register, while exits can occur, either through deregistering from the unemployment register due to employment or enrolment into formal education or through entering trainings within the ALMPs.

For statistical and reporting purposes, a new database for Youth Guarantee had to be created in 2015, while certain information are still being procured from external sources such as the register of formal education.

Further information supporting the presentation are:

- National Interoperability Framework Portal: <https://nio.gov.si/nio/vstopna.nio?lang=en>
- EU NIS 2 Directive defining new standards of cyber security in the EU: <https://eur-lex.europa.eu/eli/dir/2022/2555>

**Fadil Zejnelagić** (*Ministry of Labour and Social Welfare, Montenegro*) provided an introduction to the current status of digitisation in the Montenegrin labour market administration and presented main objectives for future developments. He pointed out that efforts to digitise the PES are currently underway and first achievements are expected for November 2024.

Main goals for the digitisation of the Montenegrin PES are the implementation of the Youth Guarantee programme, but also the facilitation of various digital services for unemployed persons such as online registration and requests submission, as well as the facilitation of easier communication between job seekers and prospective employers. In this respect, Artificial Intelligence is also expected to have an increasing influence within the Montenegrin PES. In general, these processes are aimed at reducing the number of unemployed persons as well as at enabling better placement on the labour market, with a special focus on vulnerable groups and young people.

**Gordana Vukčević** and **Marijana Vulović** (*Public Employment Service, Montenegro*)

For the Employment Agency of Montenegro (ZZZCG), digitalization is crucial, as it improves internal processes, enables better workflow between different departments and provides users with easier access to services. ZZZCG has had a unique database and application solutions for employment records since 2004. However, due to the development of new technologies and new market demands, it was necessary to improve functionalities and modernise technical platforms. The goal was to have a system that would support all the requirements and needs of both the users of ZZZCG services and the employees at ZZZCG.

Thanks to EU funding (IPA II) and the Government of Montenegro (co-financing), a reform in terms of digitisation was initiated through the project "Improvement of the Existing IT Infrastructure and Development of a New Information System for the Employment Agency of Montenegro," which was part of the Action Document for Montenegro for 2020 "Support for Smart and Inclusive Growth – Employment and Social Inclusion."

The project aims at procuring new hardware, which is already completed and over 1000 devices (from PCs to communication and security devices) are in use, and developing new software. This second part of the project is in progress and the Beta version of the applications as well as the start of user testing is expected by mid-July. The production state should be at the end of November 2024, ahead of the project's established deadlines.

Benefits for job seekers:

- Quick and easy access to the Agency's services, whether at ZZZCG branches or online
- The new system will enable personalised adjustments to user needs
- The electronic system will enable more efficient mediation between unemployed individuals and employers
- Reduction of administrative barriers
- Users will be able to apply online for active employment policy measures
- Users will be able to receive support and advice efficiently
- Users will be able to access and review relevant information through the online platform
- Interaction with advisors

Benefits for employers:

- Online job vacancy registration
- Online application for subsidies, programmes, and grants



- Creating and managing personalized profiles
- Automated workforce offer
- Interaction with advisors

Benefits for Employment Agency employees:

- More efficient, faster, and higher quality task performance
- Use of modern tools and technologies
- Employee training
- Use of data from different sources – interoperability
- Improved analysis and more efficient business decision-making

EURES: The new information system of the Employment Agency of Montenegro plays a key role in connecting with the EURES network, which allows meeting the requirements of the EU negotiation process in the area of free movement of workers. The new IT system is designed to be scalable and flexible, meaning it will be able to integrate easily with the EURES network and efficiently exchange the necessary data.

In the upcoming period, three very important projects are anticipated:

- 1) Data Warehouse with a Business Intelligence (BI) Component,
- 2) Document Management System (DMS), and the
- 3) Implementation of AI Technologies.

### **Round Table - Experiences and Challenges in the Danube Region**

During the round table, participants from further participating Danube Region countries reported on their experiences and challenges in the course of digitisation:

In **Serbia**, since 2021-2022 the main issues targeted in the area of digitisation have been services for job seekers and employers with a special emphasis on social media. The Serbian PES has a platform for virtual job fairs, piloted in 2021. Based on the good experiences so far, this platform will be a useful tool for the future, but at the moment the administrative belongings are discussed. Furthermore, two online-trainings for job seekers were digitalised (one about job seeking and applications and the second one supporting entrepreneurship - both are accessible in Serbian and Romanes). Also, Serbia is very active in a SMS service for informing employers and job seekers.

In **Bosnia and Herzegovina**, different PES operate in the Federation of Bosnia and Herzegovina, the Republic Srpska and the Brčko District, which are continued at regional level. Each of these institutions have own IT-systems. Responsibilities of the PES lie in international relations, development of employment agreements between Bosnia and other countries, as well as developments of agreements in the area of social insurance with focus on unemployment insurance. IT-systems have a focus on internal use, e.g. register of unemployed persons, active labour market measures, etc. The PES-website includes information about the available services, but no direct client-access. For the future, a digital offensive is needed to meet the EU-requirements.

In **Slovakia**, different funds are available at the moment for upgrading the IT systems. The Slovak Ministry of Labour, Social Affairs and Family is cooperating with the PES in case of registered job seekers, nevertheless the ESF tries to reach unregistered persons and therefore the ministry is also working together with NGOs and the development of an own IT-system is on the way.

In **Hungary**, the PES website connects job seekers with employers, but these services need to be further developed. A matching based on skills is needed and should be a focus for future activities. Furthermore, it should also be borne in mind that not everyone has access to digital devices. This aspect is particularly important in connection with the goal of leaving no one behind.

## Day 2, Friday, 28<sup>th</sup> June 2024

### Introduction – Thematic Focus Youth Guarantee

**Dragana Vojvodić** (*Ministry of Labour and Social Welfare, Montenegro*) presented previous preparatory activities as well as future goals and plans to implement the Youth Guarantee in Montenegro.

At the moment the drafting of the Action Plan for the Implementation of the Youth Guarantee is in the final development phase. The responsible experts work on final adjustments and are expected to finalise the plan within the next weeks.

Furthermore, information and learnings from twinning experiences and a study visit to Estonia, which is recognised for its good practices in relation to the Youth Guarantee, have already been considered and used for the action plan development.

The piloting of the action plan is planned for 2025-2026 and will take place in three pilot municipalities in Montenegro, and after 2026 it will be implemented at the national level.

A main challenge is expected in the area of monitoring the implementation of the Youth Guarantee, as statistical reports must be regularly submitted. However, reporting will prove to be difficult for the Montenegrin authorities without a central database and interoperability.

### Impulse Presentation

**Luka Vlasits** (*Federal Ministry of Labour and Economy, Austria*) gave an overview over the implementation of the Youth Guarantee in Austria, with a focus on young people under 18 years. As unemployment rates are dependent on the level of education, the Youth Guarantee in Austria aims primarily at increasing the educational level of young people between 15 and 18 years, which will subsequently also lead to improving their chances for employment.

In order to ensure that the youth is properly reached with suitable educational offers, schools and public education services have a legal obligation to report any non-compliance with the Law on Compulsory Education. In such cases, schools report drop-outs to the National Statistics Office (through direct interface or by means of a web application), which in turn feeds the data into a Central Monitoring Tool on Education until 18 (MAB). This database constitutes the basis for reporting and development of interventions.

In a next step, the families of school drop-outs are being contacted by regional coordinating offices/youth coaches (personal data and contact information can be obtained through interface with the Central Population Register) and informed about the compulsory schooling as well as related to further educational offers. As a result of such interventions, approximately one third of positively concluded cases is being referred to youth coaching, with an additional quarter being sent to the PES. Other outcomes are entry in education or training or employment.

As the main approach for preventing school drop-outs and re-integrating young people into the educational system, youth coaching relies on individual counselling with the goal of developing a personalised plan for pursuing further qualification. The WABA Database is the main register containing information on youth coaching.

Moreover, regional coordinating offices also act as information hubs and facilitate knowledge exchange between institutions on a regional level (e.g. organise workshops), and as central contact points, informing the target group itself by means of fairs and events.

Another key monitoring tool for implementing the Youth Guarantee with a more long-term focus is the Education-Related Career Monitoring (BiBer), which blends data from the educational system with labour market data and thus depicts career paths and income developments of individuals.

In conclusion, the implementation of education until 18 rests of four pillars, which aim at ensuring that all youth obtain the best possible education:

- Complementarity: Diverse and individualized offers that build up on each other
- Continuous support: Coaching and case management
- Connectedness: Involved institutions communicate and are in constant exchange
- Monitoring: Knowing who needs support and being able to reach them.

## Round Table

The second round table covered the situation of the implementation of the Youth Guarantee in the other participating countries from the Danube Region:

In **Serbia**, the Youth Guarantee Action Plan was adopted in December 2023, while the piloting of the implementation of the Youth Guarantee began in January 2024. In this regard, Serbia received support from the IPA fund since May 2023, which proved challenging due to the lack of expertise for managing such funds in Serbia. Key issues in relation to the implementation of the Youth Guarantee are the outreach issue, with Serbia managing an online community exclusively for Youth Guarantee and aiming at reaching young people through suitable promotional materials and social media activities. Furthermore, the digitisation of the Youth Guarantee is a focus point, e.g. in the area statistical profiling and its incorporation into the existing PES profiling system. At the moment, an online registration portal for Youth Guarantee is being prepared.

In **Bosnia and Herzegovina**, the implementation of the Youth Guarantee is currently being prepared at the national level by representatives of the Ministry of Labour, Employment, Veteran and Social Affairs and of the PES in cooperation with the International Labour Organisation (ILO). A pilot to be implemented in one regional office is planned for 2026, for which purpose employee trainings within the PES are being prepared for 2025.

In the area of Youth Guarantee, **Slovakia** is focusing on three main projects:

- 1) The creation of regional partnerships, with appointed regions receiving financial support from the Ministry of Labour, Social Affairs and Family for analysing specific regional needs;
- 2) The development of a one-stop-shop designed by young people based on the results of the needs analysis, offering access to several services (e.g. psychological support, coaching, creative activities);
- 3) The provision of methodological support for the one-stop-shop in order to ensure a coherent intervention.

Youth Guarantee is quite new in **Hungary**, but for future implementation it is important to emphasise that young people can and should use already existing skills, while at the same time encouraging them to discover and develop new skills that can be useful for their career paths.

### **Conclusion and Outlook**

Building on the results of this thematic workshop, the participants named further topics of interest in relation to supporting macroregional cooperation and exchange of experience in the Danube Region, which could be covered in future workshops (non-exhaustive):

- EURES and the free movement of employees and workers (also in connection with administrative and technical capacities);
- Good practices in relation to shaping the smooth transition from education to employment and means of interlinking these services (useful for developing Employment Plans);
- Monitoring and Evaluation of National Employment Strategies;
- Development of support systems for identifying and reaching young people with the goal to prevent long-term unemployment;
- Strategies and approaches for outreach to young NEETS.

With regards to the above, particular emphasis shall be put on making use of the EU Strategy for the Danube Region as a platform for exchange of experience between EU Member States and Candidate Countries in the Danube Region.