

Governing Public Employment Services:

Recent Trends in Social Partnership and Privatization

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Comments and constructive criticism welcome.

Abstract:

Public employment services (PESs) are key actors in the governance of labour markets, also and especially during times of crisis. Given the complex socio-economic challenges in recent decades, PESs have been exposed to massive “modernization” efforts, often resulting in a complete restructuring. This paper discusses recent governance reforms in four European countries – Austria, Denmark, Germany and the UK – with an emphasis on changes in “who steers”, i.e., what is the (new) role of labour administrations, PES executive bodies, and the social partners, and changes in “who rows”, i.e., who delivers labour market services, how are service providers selected, and what controversies arise from these choices? Inspired by New Public Management (NPM) ideas, the governments in the countries surveyed have all issued numerous changes that challenge the constitutive role of the social partners, promote competitive tenders, and invite private, for-profit actors to provide labour market services. These “market-enhancing” reforms have had, however, numerous unintended consequences, including the precarisation of the labour market training sector (Austria and Germany), increased “creaming” and “parking” of persons furthest from the labour market (Denmark), and the need to issue additional governmental subsidies in order to incentivise private actors’ commitment in times of labour oversupply and job shortages (UK). The Great Recession has also shown the “added-value” of Austria and Germany’s partnership-based PES systems, in which concerted actions mitigated the crisis’ negative effects on employment levels.