



# **European Network of Public Employment Services**

## **PES measures and activities responding to Covid-19**

Survey-based study

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## 1. Introduction

The outbreak of the Covid-19 pandemic and the governmental public health measures put in place around mid-March 2020, or earlier, have caused a supply and a demand shock for European economies. The causes have included the full or partial closure of businesses and the interruption of international supply chains, and restrictions on labour supply through impeded international migration and parents being partly unavailable while caring for children and supporting them during home-schooling. This has had a major impact on economic activity and the labour market.

Compared with the same quarter in the previous year, seasonally adjusted GDP decreased by 2.6% in the EU in the first quarter of 2020, while it increased +1.3% in Sept-Dec 2019. These were the sharpest declines since the third quarter of 2009 (-4.4%). The number of people employed decreased by 0.2% in the EU in the first quarter of 2020 compared with the previous quarter. This is the first decline in the time series since 2013. In the fourth quarter of 2019, employment had grown by 0.3%<sup>1</sup>.

While unemployment was at a low level in most EU Member States before the Covid-19 crisis, Spain and Greece in particular had high unemployment rates and were still coping with structural weaknesses in their labour markets. The pattern within EU labour markets also has a high variations, according to workers' length of tenure, the level of temporary employment, the incidence of seasonal work and the number of self-employed working without employees ('solo self-employed'). Many countries experienced labour shortages in certain occupations.

Active and passive labour market policy measures directed towards employers, workers (including those with fully or partially suspended work contracts) and the unemployed have been implemented as key policy measures, along with other policy measures aimed at mitigating the economic and social impact of the coronavirus pandemic that support the companies and individuals (see for an overview OECD 2020a).

With the outbreak of the Covid-19 crisis, the Commission took decisive actions to counter the negative effects on the labour market and the social impact of the crisis. The Corona Response Investment Initiative (CRII)<sup>2</sup> includes finance to protect small and medium-sized businesses as well as an Emergency Support Instrument providing strategic and direct support across Member States to address the coronavirus public health emergency, particularly in healthcare. As well as the CRII, the Commission also proposed a new instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)<sup>3</sup>, designed to help protect jobs and workers affected by the pandemic. SURE will provide financial assistance of up to €100 billion, in the form of loans granted on favourable terms from the EU to Member States. It will act as a second line of defence, supporting short-time work schemes and similar measures. The SURE initiative also includes supporting schemes for income replacement for self-employed people in emergency situations.

Recently, the European Commission has put forward its proposal for a major recovery plan<sup>4</sup> 'Next Generation EU', proposing the creation of a new recovery instrument, embedded

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<sup>1</sup> Eurostat News release on 15 May 2020, <https://ec.europa.eu/eurostat/documents/2995521/10294864/2-15052020-AP-EN.pdf/5a7ea909-e708-f3d3-8375-e2510298e1b8>

<sup>2</sup> [https://ec.europa.eu/regional\\_policy/en/newsroom/news/2020/03/16-03-2020-cohesion-policy-and-eu-solidarity-fund-contribute-to-the-coronavirus-response-investment-initiative](https://ec.europa.eu/regional_policy/en/newsroom/news/2020/03/16-03-2020-cohesion-policy-and-eu-solidarity-fund-contribute-to-the-coronavirus-response-investment-initiative)

<sup>3</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_940](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940)

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_940](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940)

within a powerful, modern and revamped long-term EU budget. Part of this major recovery plan is a new Recovery and Resilience Facility of €560 billion that offers financial support for investments and reforms, including in relation to the green and digital transitions and the resilience of national economies, linking these to the EU's priorities. €55 billion of additional cohesion policy funding is foreseen for the new Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) initiative that includes youth unemployment.

**The objective of this study is to map and analyse recent measures and activities implemented by the Public Employment Services (PES) from the EU-27 Member States, Norway and Iceland to mitigate the Covid-19 crisis and to prepare for the recovery of the labour market.** This study explores how PES are responding to the Covid-19 crisis, in particular (i) the measures that are preventing unemployment (supporting employers); (ii) the measures that are addressing jobseekers; (iii) the measures/elements of measures that are preparing for the recovery phase and potential structural labour market changes. It looks into differences and common issues in the design of the measures, their potential impact and the effects of the Covid-19 crisis on the organisation of work, processes and crisis management at the PES.

This study is mainly based on answers the PES gave to a questionnaire sent through the PES Network, with updated information provided weekly to the PES Network and the European Commission (the latest information taken into account was provided on 9 June 2020), the answers Member States gave to the European Council on a weekly basis, and fiches that were prepared for 17 Member States on Short-Time Work Schemes in the pre-pandemic period by the European Centre of Expertise for labour market policies (ECE).

**Six PES also gave in-depth interviews and written answers: Croatia, Denmark, France, Germany, Slovakia and Spain.** These case study PES were selected as they had a varied mix in the shape of their labour force when the Covid-19 crisis started (their unemployment rate, the spread of atypical employment, PES capacity<sup>5</sup>, regional variation, centralised/decentralised PES). In addition, the study includes evidence from interviews conducted with independent experts<sup>6</sup>, presentations from the German, Dutch and Norwegian PES at a Webinar organised by the PES network on 14 May, the websites of the various PES and governments that were consulted, and selected literature on labour market policy measures.

This report starts by looking into measures that prevent unemployment, i.e. short-time work schemes. It carries on to stock take of the measures and rules in place for those who became unemployed, including access to unemployment benefits and minimum income schemes, and access to benefits and PES services for those who were in atypical employment. It also covers the scope and format of the provision for counselling and guidance services to workers, jobseekers and employers, the provision of placement services, the implementation of ALMP (Active Labour Market Policy) measures taken to promote short-term, occupational and geographical mobility, and the effects of restricted labour migration on PES activities.

In the following sections, how PES had to adapt their work organisation and how they organised crisis management, will be analysed. Strategies for the deconfinement phase, and phases subsequent to deconfinement will be presented, and a conclusion is offered.

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<sup>5</sup> [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642366/IPOL\\_BRI\(2019\)642366\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642366/IPOL_BRI(2019)642366_EN.pdf)

<sup>6</sup> Chiara Kofol, Economix Research & Consulting, for Italy and Elvira González Gago, Reseach4Consulting, for Spain.

## 2. Measures to prevent unemployment: short-time work schemes

### 2.1 Definition and rationale of Short-time work schemes and similar arrangements

Companies have kept their businesses going, thereby keeping their employees in work, mainly through HR measures: 'flexible working' through implementing telework<sup>7</sup>/working from home as well as through flexibility in working hours. The variation in the percentage share of workers who reported a drop in working hours in a survey conducted by Eurofound between 9 April and 30 April is immense, ranging from 66% of respondents in Greece, 60% in France and 59% in Italy at the higher end, to 20.6% in Sweden at the other extreme<sup>8</sup>.

The most important measure, in terms of labour market policies, was to financially support the reduction in the number of hours worked. These schemes have become known as Short-Time Work (STW) schemes: the notion is similar to the German notion *Kurzarbeit* (which is mainly used in Germany and Austria, and most of the neighbouring Visegrad countries – Hungary, Poland, the Czech Republic and Slovakia). The STW schemes in the EU also encompass the 'technical' or 'partial unemployment' model (traditionally in countries such as Belgium, France, Luxembourg, Spain and Ireland). In both cases, the worker remains employed by the company and income losses in relation to the fewer hours worked are financially compensated. A few countries have introduced measures to provide 'lump sum compensation' (a 'one-off' payment) where 50% of the workforce have been suspended (e.g. Greece).

The **Netherlands** has now moved to a system based on the rationale to compensate employers for wage costs called the NOW scheme (*Noodmaatregel Overbrugging voor behoud van Werkgelegenheid*). It depends on revenue loss<sup>9</sup> rather than reduced hours worked, having maintaining employment contracts as its objective. Dismissals are prohibited and fines applied. Wage costs also include a 30% overhead cost in the first NOW package, and 40% in the second NOW package (which was in place from June). Organisations that make use of NOW 2.0 are not allowed to pay out dividends, buy their own shares or pay out bonuses for senior management. The motivation for this change was to speed up the administrative processes. Likewise, Poland links wage compensation to company's decreases in turnover.

**Denmark** introduced a Temporary Scheme for Salary Compensation to companies that are in risk of laying off a substantial part of their staff, based on a tripartite agreement between the social partners and the Danish government. In this case the employer continues to pay the full salary to the employee. The employer gets 75% of wage costs

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<sup>7</sup> According to a survey conducted in April 2020, between 40% and 60% of respondents worked from home because of Covid-19 in Finland, Sweden, Italy, Belgium and the Netherlands, and between 30% and 40% were teleworking in France and Germany and most other countries, although in Hungary and the south-eastern countries the share was lower.

<sup>8</sup> <https://www.eurofound.europa.eu/de/data/Covid-19/working-teleworking>

<sup>9</sup> The way NOW is calculated has had an unforeseen negative impact on companies that work in seasonal sectors such as tourism, which were not able to fully utilise the arrangement. Recent changes have been introduced so that they will also be able to make use of it. NOW is calculated on the labour costs of January 2020 or November 2019. Companies that had no labour costs in January or November, but which did have labour costs in March 2020 are now be able to apply for the arrangement as well.

reimbursed from the scheme<sup>10</sup>, up to a limit of approximately €4,000 per employee. Employees not working at all are also not left out of this scheme. In addition, Denmark traditionally has a scheme in place giving compensation for reduced working hours, whereby under certain conditions the employees will receive supplementary unemployment benefits for the hours not worked. The Temporary Scheme for Salary Compensation can be more advantageous for employees.

In contrast, in some other Northern European countries temporary lay-off schemes have been put in place or activated (e.g. in Norway and Finland). In these examples the worker is made unemployed and gets access to unemployment benefits, but then would be re-employed by the same employer when the financial climate improves.

By design, STW schemes are meant to allow for a reduction of working time (including to zero hours) to overcome a temporary shrinkage in demand either because of the business cycle or, in some countries, due to *force majeure*<sup>11</sup>. The rationale behind this is that after a period of time, the company would scale up its economic activities again. The advantage of an STW scheme lies in avoiding the transaction costs that would come out of hiring and firing (recruitment costs, job-search costs, time lag and training costs). The advantage clearly consists in the flexibility gained by the company and the protection of the worker. The risk is, as discussed by Cahuc (2019), that workers are bound to a single company while they could be needed in other companies or other sectors. To avoid misuse and increase the efficiency of the scheme, it is important that working time reductions are correctly reported and that systems are in place to verify the correctness of working time reductions reported. At first sight, it seems that STW schemes are the appropriate measure for the temporary restriction of economic activities due to the pandemic.

## 2.2 Managing and adapting STW schemes for the Covid-19 crisis

While STW schemes have been in place for decades in a number of countries (e.g. in Germany, France, Belgium and Italy), they were first introduced in several countries during the financial crisis in 2009. The Covid-19 crisis has prompted changes to existing regulations in all existing schemes and has led to the creation of new measures.

Almost all countries have STW schemes in place, or they maintain schemes that promote labour contracts (except the two North European countries that have temporary lay-off schemes in place, and Malta).

Major changes introduced include recognising the specific situation of the Covid-19 crisis as a reason to access the scheme, the introduction of specific 'Corona procedures', extending the coverage of workers that can be included (e.g. in Spain), sector coverage being enlarged (e.g. Italy), sectors specified (e.g. Croatia), eligibility rules have been softened (e.g. Germany), and 'government generosity' has been increased (e.g. France and Germany, for details of how the rules for Short-time Work Schemes have been adapted for Covid-19 in different countries see Annex Table A1). Coverage has been extended to include atypical employment (e.g. temporary agency workers in Austria, Germany and Italy) and the self-employed (see also Section 4).

Large variations exist in the design of the schemes. In a number of countries, it is the company that first applies to participate in the scheme. In some countries, companies eventually get compensation for the payment of wages (e.g. in Austria, Germany, Italy,

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<sup>10</sup> Companies that would otherwise be forced to cut staff by a minimum of 30%, or by more than 50 employees are eligible for salary compensation under the scheme. The compensation is 90% in the case of hourly workers.

<sup>11</sup> Note that STW schemes also exist for seasonal workers (e.g. Germany and Croatia) or for restructuring processes in some countries (e.g. Germany).

Lithuania, Netherlands, Romania and Slovakia). In some countries, current rules require the worker to request payments from the PES or the Social Security Institution (e.g. in Spain) or from another government body (in Sweden for example). In Italy, different reimbursement schemes exist.

The PES, or the unemployment benefit administration<sup>12</sup>, are involved either in the administration of the benefit claims or in the registration of workers who have been temporarily laid-off in a wide range of countries (Austria, Belgium, Bulgaria, Croatia, Germany, Estonia, Ireland, Italy<sup>13</sup>, Lithuania, Luxemburg, Netherlands, Poland, Romania, Slovenia and Spain).

The **European Social Fund** (ESF) supports the implementation of STW schemes in the context of the current Covid-19 crisis to mitigate the financial burden.

In six Member States, discussions on how to use the ESF to support these schemes are ongoing (Greece, Spain, Croatia, Ireland, Malta and Portugal). In five Member States, the preparations to set up this schemes with ESF support are ongoing (Bulgaria, Cyprus, Luxembourg, Poland and Slovenia). In four Member States, ESF-supported measures for STW schemes are being implemented (Italy, Lithuania, Romania and Slovakia).

In Campania in **Italy**, under the ESF, income support measures are already implemented for self-employed and autonomous workers who earn less than €35,000 a year. Support for micro-enterprises in the field of manufacture, services craftsmanship, commerce, and industry is also being implemented there.

The **Lithuanian** STW scheme provides subsidies covering a part of the salaries of the employees that were temporarily obliged suspend their work due to the Covid-19 crisis. Under this scheme, the employers can choose one of two options: 1) reimbursement of 90% of the salary but not more than €607 gross per month, or 2) reimbursement of 70% of the salary but not more than €910.5 gross per month. These subsidies are linked to a condition that the employer must keep at least 50% of the subsidised workplaces for at least three months after the subsidised period. The self-employed will receive monthly support amounting to €257.

In **Romania**, the government (with the help of EU Funds) will pay 75% of the wage of the 'furloughed' (not working) employees (up to a maximum of 75% of the gross average wage in Romania) to companies affected by the Covid-19 crisis. The money will be received by employers based on self-declaration and depending on the number of staff who have been identified as being furloughed. A similar measure is in place for the self-employed if they are in difficulty due to the current crisis (again, tested by self-declaration). The amount that can be received in these categories is equal to 75% of the gross average salary.

In **Slovakia**, the government launched a 'First Aid' scheme to support employees through STW (80% of their salary) and to support the self-employed who were forced to cease activities (direct aid, depending on level of inactivity, up to a maximum of €540 per month). The scheme is designed for both the period of confinement and also beyond - where jobs

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<sup>12</sup> Unemployment benefit administration and the provision of employment services have not been merged in every country, so the administration of benefits may not be handled by the PES directly (e.g. in Belgium).

<sup>13</sup> In Italy, benefits are paid through the Social Insurance Institution. Workers whose working hours are expected to be suspended or reduced by more than 50% are contacted by the local employment centre with a view to drafting the so-called 'customised service pact'.

<https://www.eurofound.europa.eu/it/observatories/emcc/erm/support-instrument/short-time-allowances-ordinary-wages-guarantee-fund-cigo-and-extraordinary-wages-guarantee-fund-cigs>

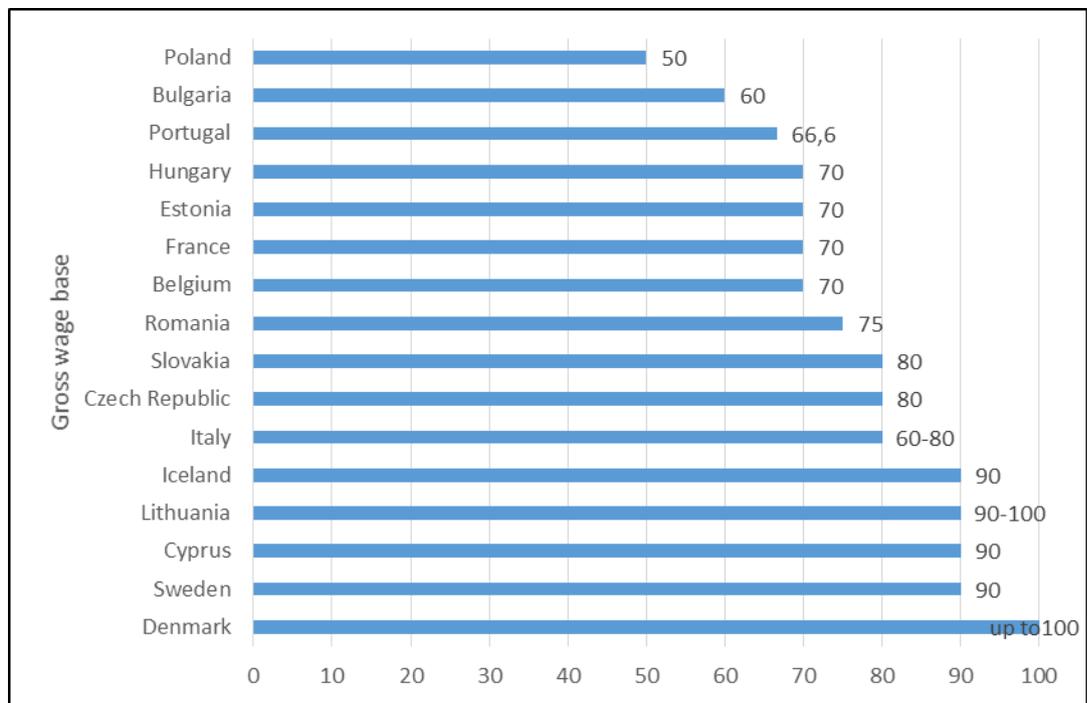
might be in danger due to general economic slow-down linked to Covid-19. This is particularly relevant for Slovakia, where the economy is heavily dependent on exports.

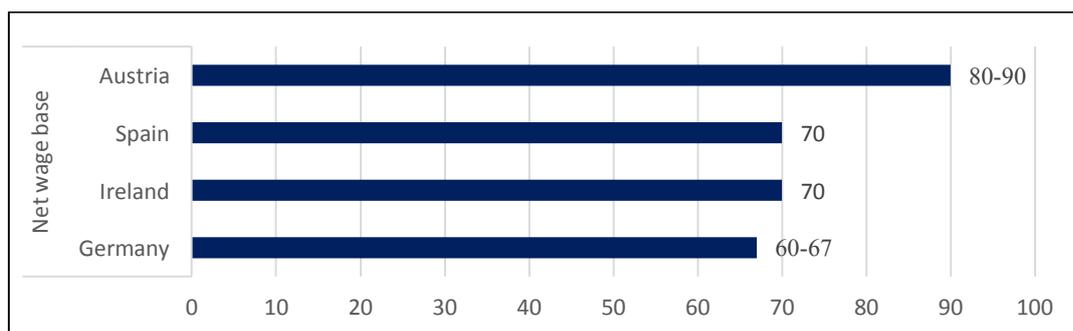
### 2.3 Scope and generosity of STW schemes

**The number of reduced hours** could involve a low share of 'hours worked' or, in the most extreme case, up to zero hours have been worked (e.g. in Germany). Depending on the regulations in place in different countries, a minimum of hours worked could be required (for example in Austria this would range between 10% and 90% of the normal working hours; in Sweden a maximum of 60% of working time reduction is covered by the scheme). It is not known yet what the effective reduction of working hours has been. In general, the exact number of reduced working hours will be communicated to the relevant agencies at a later stage. The instrument should allow flexibility for a company to adjust working hours as needed (based on collective company-level agreements and depending on the social partnership model in place). This is not the case with the new Temporary Wage Compensation Scheme introduced in Denmark, which does not foresee reduced working hours.

Short-time work schemes mainly differ in the **level of wage compensation** they provide to employers, or the partial unemployment benefits they provide to the workers. Most countries generally base their calculation of the benefit, in accordance with the reduced working hours, on gross wages, while a few countries base their calculation on net wages. The generosity of benefits between these two groups cannot be directly compared, because of tax progressivity. In France, it is estimated that a 70% replacement rate of gross wages corresponds to 84% of net wages.

**Figure 1.** STW Covid-19 subsidies, wage replacement rates on a net and on a gross basis





Note: Croatia does not appear in the figures as STW workers receive compensation equal to the minimum wage. For Cyprus and the Czech Republic, it is assumed that the base used to calculate the STW subsidies is the gross wage as this is not specified.

Poland does not run an STW scheme as such, but has introduced a scheme for maintaining employment contracts, with calculations for wage compensation/subsidies based on reduced turnover, instead of reduced hours.

In Denmark two schemes run in parallel (with and without reduction of working hours). The schemes differ in compensation paid to employers. Workers receive up to 100% of their usual salary (from employer at 100%, or from unemployment benefits, depending on the scheme).

Source: author’s own elaboration on the basis of PES Network questionnaire and KPMG.

In a few countries, the wage replacement rate is higher when the worker has children (e.g. Germany), or it can be higher for low wage earners (e.g. France). In some cases, a minimum floor for the benefit (e.g. the minimum wage) exists (e.g. France, Estonia, Lithuania, Slovenia, Poland, Luxembourg and Portugal, Müller and Schulten, 2020). In the Czech Republic the replacement rate is higher (80%, instead of 60%) for workers in quarantine and for people who work for companies temporarily closed due to Covid-19 lockdowns. Some countries have a lower ceiling in place, at the level of the minimum wage.

In some countries, wage compensation is not linked to previous wages. In Croatia, in March the government paid the net minimum wage for every employee to employers. In the Netherlands, wage compensation paid to the employer is based on a maximum of 90% of gross wages (in cases of 100% of revenue loss) and supplemented by 30% (NOW.1) or 40% (NOW.2) of overhead costs (see page 9 for an explanation of the NOW scheme).

The second element for calculating the replacement of wages is the loss of revenue. Depending on the loss of revenue, the subsidy for the company can vary between 30% and 130% of the gross wage.

Most schemes have introduced **ceilings for the maximum amount** (for details see Annex Table A2, p.59) of benefits paid. Comparability is limited, as in some countries these are net payments while in others, they are taxable. The following table nevertheless gives a rough indication of the huge differences in the generosity of the schemes:

**Table 1.** Maximum ceiling of STW subsidies as a share of gross median earnings

50% or less	Between 50% and 100%	Between 100-200%	Above 200%
Ireland and Poland (*)	Cyprus, Italy, Ireland, Spain and Denmark (*)	Sweden, Lithuania, Belgium, Estonia and Germany	Austria, France, Portugal, Bulgaria and Netherlands (*)

Source: author’s own elaboration, gross median wages from [https://ec.europa.eu/eurostat/statistics-explained/images/8/81/Low\\_wage\\_earners\\_new.jpg](https://ec.europa.eu/eurostat/statistics-explained/images/8/81/Low_wage_earners_new.jpg).

(\*) These countries do not run an STW scheme as such, but they have introduced a scheme for maintaining employment contracts, with calculations for wage compensation/subsidies based on reduced company revenues (NL) or turnover (PL), instead of reduced hours. In the case of Denmark, under the temporary wage compensation scheme (100% of reduction of working hours), the employer gets compensation for salaries up to a certain ceiling, while they have to pay full salaries to workers.

In several countries, companies are exempt from paying social security contributions when participating in the STW scheme (e.g. Estonia, Germany, Slovenia).

The risk of income losses 'not compensated for' between workers and employers may be shared between employers and workers. In Germany and in France for example, the social partners may agree that the employer tops up the STW allowance that the worker gets. A financial commitment from the employer does not only contribute to sharing risks, but it also creates incentives for the employer to avoid extensive use of the benefit if the company does not really need it. Likewise, rules that prohibit a company that is eligible for the STW scheme from dismissing workers (e.g. in Austria, Bulgaria, Estonia and the Netherlands), and obligations for maintaining workers in employment after the STW schemes terminate, are in principle likely to reduce misuse. Conversely, the employee may be asked to use their already performed overtime and time accounts (consisting of an accumulation of overtime hours, often over a longer period of time<sup>14</sup>) and their unused paid holidays to be eligible to be covered (e.g. in Austria loosened referring to 'old' holidays only, Belgium, Italy).

In the vast majority of countries, STW schemes have been set up as a measure with a **short duration**, valid either to the end of the emergency situation or for up to three months. Most schemes already foresee the possibility that the receipt of the support can be prolonged by another three months. In France and Germany alone, the rules are that STW schemes can be used for twelve months (see Table 2).

**Table 2.** Duration of benefits of short-time schemes

Country	Until the end of the emergency	Up to 3 months	Up to 3 months with a possibility of extension up to 6 months	Up to 12 months	No constraints
Austria			X		
Croatia			X		
Netherlands (*)			X		
Sweden				6 + extension of 3 months	
Cyprus					
Lithuania	X				
Italy			9 weeks		
Czech Republic					X
Slovakia			End of May, but might be extended		
Romania	X				
Ireland			234 days		
Spain	X				
Belgium		X			
France				X	

<sup>14</sup> Time accounts have been already largely used e.g. in the past global financial in Germany, which allowed for a large part of hours not worked in Germany. These time accounts are part of flexible working time system.

Country	Until the end of the emergency	Up to 3 months	Up to 3 months with a possibility of extension up to 6 months	Up to 12 months	No constraints
<b>Estonia</b>		Up to 2 months in a 3-month period			
<b>Germany</b>				X	
<b>Denmark</b>			Until 29 August		
<b>Portugal</b>		1-3 months			
<b>Hungary</b>		X			
<b>Iceland</b>		15 March - 1 June			
<b>Poland (*)</b>		X			

(\*) These countries do not run an STW scheme as such, but they have introduced a scheme for maintaining employment contracts, based on a company’s reduced revenues (NL) or turnover (PL), instead of reduced hours. In NL, the Now 2.0 scheme is available for four months.

Source: author’s own elaboration on the basis of PES Network questionnaire

To summarise, countries can be grouped as follows regarding the level of generosity of their STW scheme, by taking the replacement rate, the maximum ceiling as a percentage of gross median wage and specific rules (e.g. far above average length of benefit receipt) into account. Schemes that provide access to self-employed are marked in bold (Table 3). The most generous schemes can be mainly found in countries with well-developed PES, generally low-level unemployment rates at the beginning of the crisis, and well-developed social protection schemes. A group of countries is providing high income protection for low wage earners (Italy and Spain) or mid-income groups earning up to between 90% and 140% of the gross median wage (e.g. Cyprus and Lithuania, the more generous schemes include Sweden and Iceland<sup>15</sup>).

**Table 3.** Generosity of STW schemes

High	High for low wage earners; low for middle- and higher-income groups	High for low wage and mid-income groups, low for higher mod- income groups	Middle	Low
Austria, Germany*, Netherlands***, France Denmark*****	Cyprus, Lithuania, Sweden,	Italy, <b>Spain</b> , Cyprus, Lithuania, Sweden, Iceland**	Belgium, Bulgaria, Estonia, Portugal, <b>Romania****</b> , <b>Slovakia</b>	Poland, <b>Ireland</b>

(\*) High length, increasing replacement rates by length

(\*\*) assumption

(\*\*\*) The Netherlands do not run an STW scheme as such, but they have introduced a scheme for maintaining employment contracts, based on reduced company’ revenues instead of reduced hours.

(\*\*\*\*) Employers are eligible for support up 75% of employees in Romania.

(\*\*\*\*\*) High generosity for workers.

In bold: schemes that provide access to self-employed.

Source: author’s own elaboration on the basis of PES answers to questionnaire.

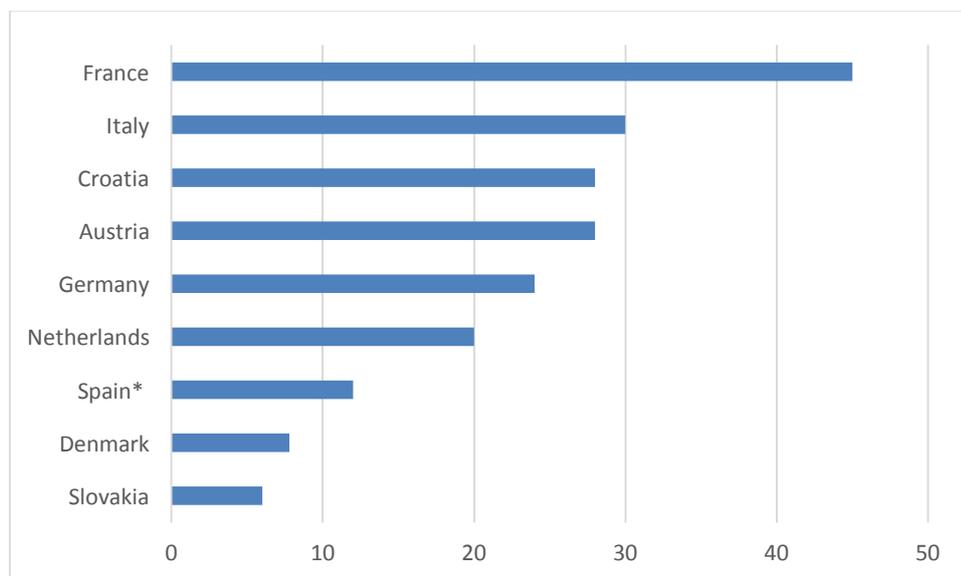
<sup>15</sup> Author’s assumption.

## 2.4 Take-up of STW schemes

While the effective take-up of STW schemes is not known at the time of writing as companies may not already have demonstrated the hours that are effectively reduced, there are indications that the intended take-up has been very high, and has by far exceeded experiences with STW schemes during the 2008-9 global financial crisis (Hijzen and Venn 2011, Cahuc 2019).

In the scope of this study, data was collected from a selection of countries. Data is not fully comparable. In many cases the numbers include workers where a request has been made by companies in order to have a 'flexibility buffer'. In other cases, data refers to requests received by companies (not all had yet been approved and not all requests will eventually be acted upon). Other cases include payments of unemployment benefit claims stemming from partial unemployment. Moreover, the most recent data available refers to different time periods. Nevertheless, the following table gives an overview of the share of the total employed (including the self-employed) and most of them are potentially included in an STW scheme.

**Figure 2.** Share of employed potentially covered by an STW or similar scheme, as a percentage of all employed, in selected European countries, April-May, 2020



(\*) Unemployment benefit claims for the ERTE scheme

Source: author's own elaboration. Data collected from Member States, INPS in the case of Italy, Müller and Schulte in the case of Denmark, and Eurostat LFS for total employment data.

Details for the countries in Figure 2:

- In **Austria**, until 1 May, applications for about **1.25 million employees** (104,000 companies) were submitted to the PES. Of these, applications for 91,000 companies had been approved (as of 1.5.2020).
- In **France**, as of **26 May**, the number of companies who submitted a request was 1,030,000 for **12.9 million workers**<sup>16</sup>. As of 4 May 2020, claims had been submitted by 753,000 companies for 4.8 million workers who were on STW schemes

<sup>16</sup><https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/tableaux-de-bord/le-marche-du-travail-pendant-le-covid-19/tableaux-de-bord-hebdomadaires/article/situation-sur-le-marche-du-travail-au-26-mai-2020>

during the month of March, out of 10.7 million workers for whom a request had been made. Thus **41% of workers** for whom STW was requested eventually had reduced working hours and were covered by the STW scheme. In April they were **46%**<sup>17</sup>. This proportion may increase somewhat as not all claims had yet been submitted. 53% of employees, for whom a partial employment application had been processed since 1 March, work in companies with fewer than 50 employees<sup>18</sup>. Three sectors account for 50% of applications, 48% of the workforce and 48% of the requested hours off work since 1 March: (i) trade and retail; (ii) building and construction; (iii) professional, scientific and technical service activities and administrative and support services.

- In **Germany**, 750,000 companies have requested that **11.7 million workers** were covered by the STW scheme since the beginning of the crisis (data released on 3 June<sup>19</sup> - roughly 3 times more than in 2009). This represents roughly a third of companies and a third of workers. The Federal Employment agency estimates that STW allowances were effectively paid for 2.02 million workers in March<sup>20</sup>. A survey conducted by the Hans-Böckler Foundation, published on 21 April 2020, suggested that in mid-April about **4 million workers** were included in the short-time work scheme<sup>21</sup>. Past experience from the financial crisis in 2009 showed that about half the workers on the STW scheme eventually reduced their number of hours. It is of course not known yet whether this ratio is applicable to the current situation.
- In **Spain**, more than 500,000 companies have been claiming ERTE (the Spanish STW scheme) while SEPE had registered **2.7 million** ERTE unemployment benefits (as of 30 April).
- In **Italy**, the claims made under different schemes (CIGO, and also new scheme CIGD, a scheme with a wider coverage of sectors, company size and status of workers) have affected potentially **8.4 million workers** (as of 4 June, INPS<sup>22</sup>).
- It is estimated that in **Croatia**, **0.5 million workers** received benefits from the STW scheme (the 'Job Preservation Subsidy').
- In **Slovakia**, claims have been made for **150,000 workers** by **48,000 companies**. Claims are made predominantly by micro enterprises (under 10 employees) and the self-employed (accounting for more than 42,000 claims), followed by small enterprises (more than 3,000 claims). Only 400 claims were from medium-sized businesses, and 78 claims were made by large businesses.
- In the **Netherlands**, the number of employers that have had their application for the NOW scheme granted was 118,474, affecting an estimated 1.8 million workers (most recent data received from UWV, the Dutch PES, on 27 May 2020).

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<sup>17</sup> <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/tableaux-de-bord/le-marche-du-travail-pendant-le-covid-19/tableaux-de-bord-hebdomadaires/article/situation-sur-le-marche-du-travail-au-26-mai-2020>

<sup>18</sup> <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/tableaux-de-bord/le-marche-du-travail-pendant-le-covid-19/tableaux-de-bord-hebdomadaires/article/situation-sur-le-marche-du-travail-au-28-avril-2020>

<sup>19</sup> <https://www.arbeitsagentur.de/presse/2020-32-der-arbeitsmarkt-im-mai-2020>

<sup>20</sup> <https://www.arbeitsagentur.de/presse/2020-32-der-arbeitsmarkt-im-mai-2020>

<sup>21</sup> [https://www.boeckler.de/pdf/pm\\_hbs\\_2020\\_04\\_21.pdf](https://www.boeckler.de/pdf/pm_hbs_2020_04_21.pdf)

<sup>22</sup> [https://www.inps.it/docallegatiNP/Mig/AllegatiNews/Dati\\_4\\_giugno\\_CassaIntegrazioneOrdinariaAssegnoOrdinario\\_richieste\\_di\\_pagamento\\_SR41\\_e\\_Cassa\\_integrazione\\_in\\_deroga.pdf](https://www.inps.it/docallegatiNP/Mig/AllegatiNews/Dati_4_giugno_CassaIntegrazioneOrdinariaAssegnoOrdinario_richieste_di_pagamento_SR41_e_Cassa_integrazione_in_deroga.pdf)

- In **Latvia**, as of 31.5.2020, the 'downtime regulation allowance'<sup>23</sup> had been paid to 75,484 employees, following applications from 12,663 companies.
- Take-up of STW schemes has thus been very high in most countries, and when looking at the increase in unemployment so far (see Section 3), it is evident that the STW schemes have prevented an extremely steep rise in unemployment (in contrast to **Norway**, where no STW scheme exists and where the number of unemployed has quadrupled, though still remaining at a very low level). Whether STW schemes will be effective in the medium term cannot be assessed at the moment. If the negative effects of Covid-19 on economic activity continue to be severe for a while, there will quite probably be an inflow in the unemployment scheme from the STW scheme, in particular in those countries where the schemes are of short duration. In principle an STW scheme is effective if it eventually serves to bridge a 'not over-long' period of slack in labour demand. The STW schemes in place were not designed to overcome structural problems in the labour market.

## 2.5 Other measures to maintain workers in employment

Looking beyond STW-related measures, other measures maintaining workers in employment are in place.

In **Belgium** for example, teleworking has been mandatory for all non-essential companies, whatever their size, for all staff whose position makes that possible. For Workers who will be working entirely at home for some time because of Covid-19 employers can grant an office allowance up to €127 per month which covers heating, electricity, small office equipment. This can be granted without social security contributions to all workers who work at home.

In **Bulgaria**, there is a possibility for employers benefiting from financial support under concluded employment contracts, including under Operational Programme 'Human Resources Development' projects, to introduce a remote form of work for their employees. Employers have to provide the Employment Offices with an updated working time schedule and locations of the workplace by e-mail.

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<sup>23</sup> In this scheme the state pays 70% of the salary of employees in the affected sectors/enterprises, with maximum limit of either € 700 or minimum wage.

### 3. Measures to access and process unemployment benefits and minimum income

#### 3.1 Unemployment benefits

##### Overview of unemployment benefit schemes

There are huge differences in the generosity of unemployment benefits (in terms of, for example, the replacement rate - the percentage of a worker's pre-unemployment income that is paid out in benefits, eligibility conditions and length of time receiving benefits, and requirements to accept job offers) across EU Member States (see Langenbucher, 2015, OECD 2020c). The design of unemployment benefit schemes varies substantially as regards coverage and the combination between the generosity of the schemes and 'conditionality' (particularly job-search requirements). Conditionality can also include the obligation to participate in Active Labour Market Policies (ALMPs), and the rules on 'suitable job offers' being accepted. This has been at the heart of the different activation regimes. These different regimes present different outcomes, striking a balance between protecting workers and preventing them from falling into poverty, an insurance against unemployment risk, and minimising a skills mismatch through offering sufficient job-search time for an effective match on the one hand, while on the other hand offering incentives for intensive job-search, occupational and geographical mobility and preventing benefit dependency. In 2015, eligibility criteria and sanctions were the strictest in Malta, Croatia, Estonia, Portugal, Luxembourg and Slovenia and were the least strict in Cyprus and Hungary (Langenbucher, 2015). In 2015, effective unemployment insurance coverage ranged between roughly 5% in Greece and nearly 70% in Luxembourg (see Annex Figure A2), while average expenditure on unemployment benefits per unemployed person showed a similar variation, even when it is shown in terms of purchasing power (Annex Figure A3).

As the risk of becoming and remaining unemployed has increased due to government confinement measures, and as unemployment has become temporarily independent from the motivation and behaviour of the individual, some governments have introduced changes to their unemployment schemes in the light of the current situation.

The following table provides an overview of main changes introduced to the unemployment benefit schemes. Details are explained in the following sub-sections and atypical employment is explained in Section 4 (pp. 27-30). Changes to minimum income schemes and disability benefit schemes are shown in Section 3.2.

**Table 4.** Overview of temporary changes made to unemployment benefit (UB) schemes

Shortening qualifying period, increasing coverage	Increasing UB level (or reducing the reduction over time)	Length of UB	Simplified procedures for UB claim	Rapid access to UB	Softened or suspended conditionality and job-search requirement
Finland, France and Spain	Belgium, Estonia, France, Ireland and Norway	Denmark, Estonia, France, Germany, Greece, Luxembourg and Portugal	Cyprus, Estonia, Greece, Italy, Romania and Spain	Finland and Norway	Denmark, France, Germany, Italy, Poland and Sweden

Note: the information by country may be incomplete.

Source: author's own elaboration, based on answers from Member States and PES in questionnaires for this report.

## Increasing generosity of unemployment benefits in some countries

A range of countries have temporarily amended their unemployment benefit scheme. Generosity has been increased in a few countries which already had a comparatively generous unemployment benefit scheme and relatively high spending on unemployment-related benefits per unemployed person (e.g. Finland, Ireland, Norway, Belgium and France), as well as among a few countries with mid-to-lower average spending (e.g. Spain and Italy) or a low average spending (e.g. Estonia) (see Annex Figure A3). However, a number of countries with low coverage and low benefit levels did not report that they introduced temporary measures to the unemployment benefit schemes (e.g. Romania and Bulgaria), but changes to safety net might have occurred. As was shown in Section 2 above, many of the latter group of countries have limited temporary measures to (more or less rudimentary) short-time work (STW) schemes. Temporary amendments to unemployment benefit schemes include:

- Shortening the **qualifying period** for accessing unemployment benefits (e.g. **Spain, France** and **Finland**).
- The **unemployment benefit level** is increased (e.g. in **Ireland**, where workers and self-employed people who have lost their jobs due to the Covid-19 crisis will receive an enhanced emergency Covid-19 Pandemic Unemployment Payment of €350 per week - an increase from the basic jobseekers benefit rate of €203 per week; an increase in the replacement rate is planned in **Estonia**; and increased unemployment benefits will be available for those who are laid off in **Norway**).
- A **gradual reduction** of the unemployment benefit level is removed (e.g. **Belgium** and **France**).
- The **length of time where unemployment benefit** is given has been extended to those whose benefits would otherwise terminate e.g. by three months for those whose eligibility would terminate at the end of December 2020 as is the case in **Germany**<sup>24</sup>; **France** has a prolonged receipt period until 31 May; **Greece** has lengthened unemployment allowance by two months for the unemployed, long-term unemployed and self-employed whose eligibility for benefits would have finished by 30 April; **Portugal** lengthened the time period in cases where benefits would be exhausted before 30 June; and **Luxembourg** has extended benefits by the length of the crisis (the same is planned in **Estonia**). The rationale behind these measures is that the unemployed should not be penalised for the fact that job openings have been drastically reduced overall as a consequence of governmental public health measures.
- **Coverage** has been increased in a few countries to give easier access to unemployment benefits to workers in atypical employment (e.g. **France** and **Spain**; see details in Section 4).
- **A rapid access to unemployment benefit** where there has been a temporary lay-off (e.g. in **Norway**, this means a release for any company which has to pay salaries after a lay-off for two days instead of fifteen days), advancement payments of unemployment benefits for those laid off (up 60%) and the waiting period in case of temporary lay-offs and redundancies is removed (e.g. **Finland** and **Norway**). In both countries there is no standard STW scheme in place, but temporary lay-offs

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<sup>24</sup> <https://www.arbeitsagentur.de/presse/2020-29-befristete-verlaengerung-arbeitslosengeld-weiterbewilligung-automatisch?fbclid=IwAR2I4PncvBwtlZnKF34qzU-Ka9GGf8YAWQj-0tVcdbQJLWKE2WWCylEz5m0>, accessed on 21 May 2020.

are possible, so rapid and easier access to unemployment benefits for laid-off workers is therefore a way to indirectly support employers (see Section 2).

### **Simplified procedures and less strict requirements when applying for unemployment benefits**

In several Southern European Member States (e.g. Italy, Spain and Cyprus and Greece), North-Eastern Member States (e.g. Estonia) and South-Eastern Member States (Croatia and Romania), procedures to access unemployment benefits have been simplified, mainly to lower the administrative burden and to speed up processes. Below are details for countries where information is available:

- Administrative procedures have been simplified: in **Spain**<sup>25</sup> and **Greece** administrative procedures to apply for unemployment benefits have been eased and online forms for benefit applications have been introduced. In **Spain**, the new system is coordinated with the autonomous communities for quicker registration of jobseekers. In **Romania**, the bureaucratic procedures have been simplified.
- In **Croatia** counsellors can help customers with registration as unemployed if a person chooses to register by phone. These applications will be valid without a signature until the time for safe personal contact is reached. Counsellors will check with the Pension Insurance Register whether the person is entitled to enter the Unemployment Register, and additional documents necessary for the approval of Unemployment Benefit can be scanned or sent by mail.
- In **Spain, Italy** and **Estonia** the deadlines for benefit applications have been extended.
- In some countries such as **Greece, Cyprus, Spain** and **Estonia**, the PES automatically renewed all the existing unemployment registrations.

### **New channels for unemployment benefit claims**

Given that the relevant PES offices were closed or opening hours were heavily reduced, the channels for claiming unemployment benefit have been changed. To avoid physical contact, online applications or applications by phone have become the norm. Call centres have been set up for benefit claims (e.g. in Romania and in Spain with the RATEL service<sup>26</sup>). In some countries, it is possible to send applications through the post (e.g. in Estonia and Romania. In Slovenia claims can be posted in letter boxes in the entrance to the unemployment offices). In addition, in a few cases such as Luxembourg for example, each agency provides a physical service counter for clients having urgent enquiries.

### **Automation and increasing efficiency in the treatment of benefit claims**

Some PES were already digitally well prepared to cope with the need to reduce personal contact and increase efficiency in benefit claims. Thus, in the **Netherlands**, applying for unemployment benefits and registering as a jobseeker with PES was already fully digitised. In other cases, digitalisation has been already quite advanced, but new rules and the introduction of new measures have been required to adapt IT solutions.

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<sup>25</sup> For example, requirements for accessing certain benefits have been relaxed (among others, the submission of the Annual Income Declaration – 'DAR', for benefits for people over age 52).

<sup>26</sup> Customer service telephone lines, in Spanish 'Red de atención telemática'.

**Box 1.** Automated processing of benefit claims in Norway

In **Norway**, changed rules in access to unemployment benefits, the introduction of new measures and increased coverage have necessitated adapting IT solutions. The processing of newly introduced benefits (in order to cover a larger target group) needed to be automated. This required a huge effort on the part of staff, greatly extending their working hours to develop adequate IT solutions. The Norwegian PES (the NAV) succeeded in making these new processes operational in a week. It has been possible to provide faster responses from the NAV to the individual through automatic case handling as well as through a digital application for advance payment of unemployment benefit for people who have been laid off.

**Softened or suspended 'conditionality' and job-search requirement**

Conditionality on unemployment benefits (i.e. job-search requirements, acceptance of a suitable job-offer, participation in ALMPs) and conditionality on minimum income receipt has been softened or suspended in many countries. In **France**, the teams in charge of controlling the job-seeking activities that the jobseekers should be following have been put on hold until further notice. All warnings issued and the 'registration notices' (for those who did not fulfil their obligations) have been put on hold too. In **Poland**, the unemployed are no longer expected to attend training and job interviews. In **Italy**, all obligations foreseen for the beneficiaries of unemployment benefits have been suspended and **Germany** has also suspended conditionality rules. The **Swedish** PES initially said that activity reports would not be necessary until 14 July 2020, but it then changed the ruling and said that from 1 June jobseekers needed to report their activities to the PES again. In **Denmark**, a period of receipt of unemployment benefit from 1 March to 30 June 2020 will not count as a period where the benefit has been received.

The rationale behind this is to concentrate staff resources on payment of benefits and dealing with the high numbers of STW schemes and unemployment benefit requests. Closing down PES offices or reducing their opening hours, and the rules in place to protect jobseekers and counsellors, have made individual follow-up more difficult. It is also argued by PES that job vacancies are very scarce anyway, so the low probability of finding employment is not linked to an individual's behaviour.

Depending on the time it will take for labour markets to recover, there is a danger that people will remain in an uninterrupted spell of unemployment for too long. Suspending conditionality should not lead to less incentives to take up jobs in sectors and occupations where there is demand for workers. Rules have already been adapted, in particular in the context of partial unemployment benefit receipt (or STW scheme allowances) to encourage people taking up employment in sectors and occupations where there has been strong demand during the emergency situation (see Section 8).

**3.2 Minimum income schemes and disability pensions****Increased coverage and increased generosity**

A few countries have temporarily made their safety nets more generous, to prevent people falling into poverty. Examples include:

- In **Greece**, those who have voluntarily resigned from employment or who were made redundant, and who are not receiving unemployment benefit, get €800 compensation. Financial aid of €400 was paid to 155,000 non-subsidised long-term unemployed from 1 April 2020.

- In **Austria**, unemployment assistance provides income support to unemployed workers who have exhausted their entitlement to unemployment benefit (*Notstandhilfe* - 95% of the previous unemployment benefit rate). As a result of the current crisis, these payments were raised to the level of unemployment benefits.
- In **Finland**, the length of the Minimum Guaranteed Income and housing benefits have been lengthened by one month. In addition, coverage of the unemployment allowance of the Social Insurance Institution is also given to entrepreneurs and the self-employed.
- In **Germany**, means-testing for minimum income is suspended until June 2020, and benefits without means-testing will be granted for a period of six months (for claimants declaring they have assets worth less than €60,000). Exceptionally, access to social assistance payments is granted to EU citizens who otherwise would not fulfil the requirements for obtaining means-tested minimum income, if they cannot return to their home countries because of the Covid-19 crisis<sup>27</sup>.
- In **Italy**, the Relaunch Decree has also introduced the 'Emergency income' (*Reddito di Emergenza*), which will be paid for April and May to individuals with a low level of savings and assets and an equivalent disposable income lower than €15,000. This allowance amount ranges between €400 for a single person up to €800 for households with children.
- In **Portugal**, all social security benefits that guarantee minimum subsistence which end before 30 June have been extended, and a 're-evaluation' of the conditions for maintaining the benefits has been suspended.
- In **Estonia**, workability assessments for disability benefit recipients have been suspended. The PES has extended the duration of partial or permanent incapacity for work, and it has also extended the payment of 'inability to work' benefits by six months for people whose decision on incapacity for work would expire between 12 March and 31 August 2020 and who have not yet applied for reassessment.
- In **Malta**, people with disabilities who work in the private sector and who opt to stay at home for health reasons but who cannot work remotely and who are not being paid by their employer during their absence from work, will receive a direct payment of €166.15 per week if working fulltime, or €103.85 per week if working part-time. They have to register with JobsPlus.
- In **Greece**, the Ministry of Labour and Social Affairs decided on a three-month extension of disability benefits and disability pensions for people who would be assessed by the end of March.
- In **Latvia**, an 'Unemployment assistance benefit' has been created that will be paid by the state, for people whose 'Unemployment benefit' ended after 12 of March 2020. The allowance is €180 per month and is paid for four months.

In addition, **conditionality** rules have been suspended (e.g. in Germany, while in Italy all the obligations foreseen for the beneficiaries of the minimum income scheme, *reddito di cittadinanza*, are suspended).

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<sup>27</sup> <https://www.bmas.de/DE/Presse/Meldungen/2020/leistungsversorgung-unionsbuerger.html;jsessionid=5A10AA769F8B43B701E3983BE4991683>

### 3.3 Registration of unemployment

#### Easier procedures and new channels for registration

In general, procedures for registering as unemployed have been modified to avoid physical meeting with counsellors.

In most countries, unemployment benefit claims and registration for unemployment is now done with the same PES body. In recent years, a range of countries have reformed their systems to create one-stop-shops. It should be noted that in Germany the PES has a dual structure according to the type of benefit received (unemployment benefits or means-tested minimum income support). In some countries, unemployment benefit claims and registration as a jobseeker are still done at two different institutions: unemployment funds or social security institutions for claiming unemployment benefits (e.g. in Finland); and federal PES bodies (e.g. SEPE in Spain). In some countries, benefits claimants have to register (online) with the municipal PES (e.g. in Denmark and Finland) or the regional PES (e.g. in Spain) to receive placement and jobseeker services and get referral to ALMPs. In Spain, SEPE, together with the Autonomous Regions, is currently promoting measures to ensure people register as jobseekers through remote channels, and not requiring renewal while they remain registered as unemployed.

Not all benefits claimants are required to register as unemployed, particularly in cases of 'partial' unemployment benefits in those countries where the STW schemes follow the partial unemployment model. Conversely, not everyone registering as unemployed has automatic access to unemployment benefits. In a number of countries means-tested minimum income recipients are required, or motivated, to register in case they can also receive other out-of-work benefits such as means-tested minimum income benefits, or they may be entitled to disability benefits.

#### Development of unemployment

At the time of writing, data on the development of unemployment was available from the Labour Force Survey data only for the month of March. In most cases the LFS does not include data until the end of the month. According to Eurostat estimates, the seasonally adjusted unemployment rate increased by 0.1 percentage points in the EU, from 6.5% in February to 6.6% in March 2020, an increase by 241,000 with 14,141 million men and women in the EU being unemployed in March 2020 (Annex Figure A1, Panel A and B, p.61). Unemployment data for April and May will shed more light on the increase of unemployment.

The availability of timely data on registered unemployed is uneven, as the time lag in publishing this data varies (see Section 10 for details). Administrative data from different nations are poorly comparable in general, and even less so in the current Covid-19 crisis. The increase in registered unemployed is strongly related to the fact whether a STW scheme is in place or whether a scheme of temporary lay-offs is in place. This explains the very strong increase in unemployment in Norway which is linked to the temporary lay-off scheme in place.

In Italy, the most updated official ISTAT data show that the employment rate is slightly decreasing while in February and March the decrease in unemployment is accompanied by a strong growth of the inactivity rate<sup>28</sup>.

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<sup>28</sup> [https://www.istat.it/it/files//2020/05/Nota-mensile\\_aprile\\_2020.pdf](https://www.istat.it/it/files//2020/05/Nota-mensile_aprile_2020.pdf)

Moreover, where an STW scheme is active, there are crucial differences whether it is designed as a reimbursement of wage costs to the employer or as a special temporary and partial unemployment benefit, and whether beneficiaries need to register as an unemployed.

**Table 5.** Development of registered unemployed in selected countries

Country	Time period covered	Change in the stock of registered unemployed	Comments
<b>Croatia</b>	16 March to 5 May	+18.2%	Slowdown of the increase on daily basis. Regional variation: in Istria +37.2% (strong tourism sector), in Osijek County +8.1% (manufacturing industry, agriculture). Most affected sectors include accommodation and food and beverage sector, trade and manufacturing industry.
<b>Denmark</b>	11 March to 11 May 2020	+38% (+50,000)	Usual composition: 85% recipients of benefits from an Unemployment Fund, the remaining 15% are recipients of means-tested cash benefit. STW scheme in place.
<b>Germany</b>	14 March to 14 April  14 April to 14 May	+11.6% registered unemployed (308,000; stock data).  For mid-April to mid-May + 169.000 (238.000, seasonally adjusted) is expected.	Includes unemployment benefits and minimum income; stronger increase among unemployment benefit recipients. Inflow also from the 'underemployed' category (ALMP participants).
<b>France</b>	8 March – 9 May	+10,8% new registrations (inflow) for the period 15 March – 18 April as compared to the previous 4 weeks. -9% between 9 April and 9 May.	Inflow of 672,000 of registered unemployed over the whole period, a decrease as compared to the same period in 2019 Note that outflow of unemployment decreased substantially, leading to an increase in unemployment.
<b>Spain</b>	March - April	24% (642,000 new unemployment benefit recipients until 30 April). 8% between March and April (+282,891).	Without ERTE
<b>Sweden</b>		By mid-May, over 120,000 new jobseekers have registered with the PES since 1 March. 36,800 people have been notified as being dismissed in March 2020. In March 2019, their number was 3,292.	Most people who have been notified about their dismissal are within the hotel and restaurant industry as well as the staffing and hospitality industry. The transport and retail industries have also been affected <sup>29</sup> .
<b>Norway</b>	10 March – 12 May	+383% (407,300)	

<sup>29</sup> <http://wapes.org/en/news/arbetsformedlingens-measures-handle-coronacrisis>, accessed 19 May 2020.

Country	Time period covered	Change in the stock of registered unemployed	Comments
<b>Slovakia</b>	March - April	+18,8%	Stock of registered unemployed as compared to February

Source: Data provided by the PES, for Denmark: <https://www.statista.com/statistics/1110143/number-of-individuals-unemployed-after-the-coronavirus-outbreak-in-denmark/>; for France <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/tableaux-de-bord/le-marche-du-travail-pendant-le-Covid-19/tableaux-de-bord-hebdomadaires/article/situation-sur-le-marche-du-travail-au-19-mai-2020>

According to a survey conducted by Eurofound in April 2020, more than one quarter of respondents across the EU had reported losing their job either temporarily (23%) or permanently (5%), with young men most affected. Half of those in work are also seeing their working hours reduced, especially in Romania, Italy, France, Cyprus and Greece. The Nordic countries have reported fewest reductions in working time<sup>30</sup>.

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<sup>30</sup><https://www.eurofound.europa.eu/de/publications/report/2020/living-working-and-Covid-19-first-findings-april-2020>

## 4. Income support and PES activities in relation to 'solo self-employed' and other 'atypical employment'

While STW schemes have been set up to maintain workers' employment contracts, help employers to rapidly scale up economic activity and protect workers from income losses, there is a category of employed people that are at risk of not being protected. In many EU Member States, those individuals who previously had a non-standard work contract (including for example 'solo self-employment' or temporary employment – see Annex Figure A5) now have a significantly higher probability of not receiving benefits than people whose previous work experience has been 'standard' (Annex Figure A6, p.65).

### 4.1 Unemployment benefits, minimum incomes and compensation from the social insurance funds for the self-employed

Self-employed workers, as well as micro-enterprises, are one of the groups often particularly affected by the Covid-19 crisis and related restrictions of activities. As they usually have less easy access to financial support and loans, Member States have decided on specific measures for micro-enterprises and SMEs. However, the solo self-employed do not always have easy access to these measures. These measures are in general designed to avoid bankruptcy in the first place, and they are often accompanied by repayable advances, tax and payments advantages, and deferrals of tax payments. Nevertheless, the dependent self-employed (or the 'bogus self-employed') are at risk of not being able to get compensation for income losses. The share of self-employed workers varies between 6.8% in Norway at the lower end and 22.5% in Italy and 30.8% in Greece at the higher end (Annex Figure A4). According to the OECD (2019), in 2017 the incidence of own-account workers who generally have one dominant client as a percentage of their self-employed income, varied between 6.4% in Denmark and 28.7% in Slovakia.

To partly compensate for income losses linked to the Covid-19 crisis among the self-employed, a range of countries have easier access to unemployment benefit or minimum income schemes to help the self-employed. These measures are financed through unemployment insurance funds, the social security system or they are government-financed. Already before the Covid-19 crisis, some countries were exploring how to shore up access to out-of-work benefits in the context of changing working arrangements. For instance, Austria, France and Spain have extended entitlement to unemployment benefits to independent workers. Italy has facilitated access to means-tested safety net benefits before the crisis. Denmark has strengthened the 'portability' of earned entitlements across different jobs and forms of employment already before the Covid-19 crisis (OECD 2020a). However, for example in France or in Germany, the share of the self-employed contributing to the unemployment insurance scheme is low. In Spain, the self-employed have the option of insurance for lower earnings than the money they actually get. Thus, coverage of self-employment in these countries by the unemployment benefits schemes is low.

Maximum compensation for income loss for the self-employed is quite varied, depending mainly whether the self-employed made (voluntary) contributions to the unemployment benefit scheme or the social security scheme (e.g. in Germany, France or Finland), whether they get temporary access to the unemployment scheme or a specific Covid-19 unemployment benefit scheme (Ireland and Malta), the STW scheme (Slovakia) or whether they are (temporarily) covered by minimum income schemes (e.g. Finland, Germany and Lithuania). A number of countries have temporarily suspended the 'means-test' (i.e. claimants with savings above a certain level are ineligible). In some countries they get more generous, or less generous, lump-sum payments as a temporary measure (e.g. Italy,

Greece and Malta), and access to bridging benefits (Belgium and Denmark). The following examples show how existing and new temporary measures have been implemented:

**Table 6.** Access of the self-employed to unemployment benefits, minimum income, STW schemes or special aid

Member state	Schemes	Target group	Level of benefit
<b>Italy</b>	Special Bonus <sup>31</sup> , paid by the INPS Social Security Institution <sup>32</sup>	Freelancers, coordinated and continuous collaborators ('co-co-co'), self-employed workers enrolled in the special compulsory general insurance scheme, seasonal workers in tourism and spas, agricultural workers and entertainment workers.	€600 for March and April and €1,000 for May per month.
<b>Spain</b>	Extraordinary aid	'Extraordinary aid' for self-employed workers has been approved for those workers whose invoices show their income decreased by 75% in respect to the previous six months; special protection is available for members of cooperatives and intermittent permanent employees.	No information
<b>Romania</b>	Temporary unemployment benefits. Payments are not made directly by the PES but by the National Agency for Social Payments and Inspection.	Self-employed or micro/family enterprises, as they cannot claim technical unemployment benefits <sup>33</sup> .	Minimum wage until the end of the State of Emergency <sup>34</sup>
<b>Malta</b>	Special unemployment benefit. Applicants need to register for work with the PES (Jobsplus).	(1) Full time self-employed workers operating in sectors that suffered drastically due to the Covid-19 pandemic or had to temporarily suspend operations. (2) Self-employed with employees in adversely affected sectors.	(1) €800 (2) Two days' salary per week equivalent to €320 per month.
<b>Greece</b>	Special financial aid	Freelancers, self-employed	€800
<b>Lithuania</b>	Available through the PES. Financed through the Guarantee Fund	Self-employed workers who paid social security contributions for at least three months during the last year prior to the crisis.	€257 per month
<b>Ireland</b>	Covid-19 Pandemic Unemployment Payment. Paid directly by the Department of Employment Affairs	Self-employed	€350 per week

<sup>31</sup> <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=53544>

<sup>32</sup> This bonus are not subject to taxation. These allowances are compatible and cumulative, however, with the monetary disbursements from job grants, internships and professional traineeships, as well as prizes or subsidies for study or professional training purposes, and prizes and fees earned for carrying out sport activities, as well as with occasional work - within the limits of fees not exceeding €5,000 per calendar year.

<sup>33</sup> [https://ec.europa.eu/info/sites/info/files/coronavirus-policy-measures-6-april\\_en\\_1.pdf](https://ec.europa.eu/info/sites/info/files/coronavirus-policy-measures-6-april_en_1.pdf)

<sup>34</sup> <https://www.citizensadvice.org.es/faq/coronavirus-workers-and-self-employed-autonomos/>

Member state	Schemes	Target group	Level of benefit
	and Social Protection (rather than the Revenue scheme) <sup>3536</sup> .		
<b>Finland</b>	(1) Unemployment allowance ('labour market subsidy') from the Social Insurance Institution (Kela). (2) The Finish PES has also extended its employment services to the self-employed and entrepreneurs.	(1) Entrepreneurs and self-employed (including sole traders and freelancers). At least one of the following requirements should be met <sup>37</sup> : (i) full-time employment has ended due to the outbreak; (ii) income from self-employment is, because of the epidemic, less than €1,089.67 per month. (2) Entrepreneurs can accumulate the right to an earnings-related allowance as part of an unemployment fund for entrepreneurs <sup>38</sup> .	Labour market subsidy until 30 June 2020
<b>Germany</b>	Schemes managed by the PES: (1) Minimum income under the Social Protection Pact I, suspended means-test (for those with declared assets <€60,000 for an individual). (2) Unemployment benefits for those who voluntarily contributed for at least 12 months in the 30 months before unemployment occurred. (3) Unemployment benefits in cases of bankruptcy.	Self-employed (1) Probably high take-up (2) Relatively few cases (3) By the end of April 2020, there had been little take-up.	(1) €432 per month to a single <sup>39</sup> .
<b>Denmark</b>	Partial compensation for the losses of turnover	Registered as self-employed in the Danish Civil Registration System with no more than 10 employees and with more than 30% losses in turnover as a result of the coronavirus outbreak.	75% of the expected loss in turnover Max €3,000 per month For 3 months until 9 June <sup>40</sup>

<sup>35</sup> In order to get income support, the unemployed have to have been in employment or self-employment immediately before Friday 13 March 2020. People who work shifts, on short time or who have other atypical work patterns must have been in employment on or after 6 March 2020. In addition, recipients need to have lost their job or be temporarily laid off from work or asked to stay at home from work due to the Covid-19 public health emergency.

<sup>36</sup> [https://www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/unemployed\\_people/Covid19\\_pandemic\\_unemployment\\_payment.html](https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/Covid19_pandemic_unemployment_payment.html)

<sup>37</sup> [https://www.kela.fi/web/en/press-releases-about-the-coronavirus-situation/-/asset\\_publisher/u3rOjDyugFv4/content/two-temporary-benefits-available-from-kela-amid-the-coronavirus-outbreak](https://www.kela.fi/web/en/press-releases-about-the-coronavirus-situation/-/asset_publisher/u3rOjDyugFv4/content/two-temporary-benefits-available-from-kela-amid-the-coronavirus-outbreak)

<sup>38</sup> <https://www.tyj.fi/en/if-you-become-unemployed/self-employment-and-unemployment-benefits/> There is one fund for entrepreneurs in Finland: [Unemployment Fund for Finnish Entrepreneurs \(SYT\)](#) (in Finnish).

<sup>39</sup> Suspension of means testing until 30 June for those who declare they have assets worth less €60,000 for a single person or €90,000 for a couple. The usually means-tested minimum income is also called Unemployment Benefit II or Hartz IV; additional payments are made for children living in the household.

<sup>40</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_515](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_515)

Member state	Schemes	Target group	Level of benefit
<b>Belgium</b>	Social Insurance Fund A financial 'bridge' for people whose work had a forced interruption for more than one week due to Covid-19.	Self-employment as their main activity	€1,266 or €1,582 (with dependent family members)
<b>Slovakia</b>	Short-time work scheme. This scheme has had a high take-up.	Self-employed	
<b>Latvia</b>	Short-time work scheme ('downtime regulation').	Certain self-employed people where the State Revenue Service has refused to grant a 'downtime benefit'.	€180 per month and a supplement of 50 euros per month for each dependent child under the age of 24 (introduced in June).

In some other countries, special funds have been set up. In **France**, measures were introduced to protect self-employed workers during the Covid-19 emergency<sup>41</sup>. For very small enterprises (VSEs), freelancers and micro-entrepreneurs a **solidarity fund** provides aid of up to €1,500 (and an additional support from €2,000 to €5,000 subject to conditions). Craftsmen and traders are eligible for to €1,250 in aid. In **Luxemburg** the General Directorate for Small and Medium-Sized Enterprises set up an **emergency allowance fund** of €2,500 for every self-employed worker<sup>42</sup>.

In the **Netherlands**, the **temporary bridging measure** for self-employed professionals (Tozo)<sup>43</sup> offers support for self-employed professionals who are experiencing financial difficulties due to the Covid-19 crisis (initially from 1 March to 1 June, expanded at the end of May for another three months). The income support scheme, depending on household income, can amount to a maximum of €1,500 per month (nett). Income support is available for a maximum of three months. Eligibility conditions stipulate that the claimant should be working a minimum of 1,225 hours per year in that activity.

## 4.2 Access of other 'atypical employed' to income support and PES services

The OECD (2019) points to a reduction of job stability for different groups of workers over the past decade, in particular the low-educated. The reductions in tenure exceeded 30% in the Slovak Republic, Lithuania, Hungary, Sweden and Poland. The Spanish labour market has been marked for decades by a highly volatile labour market with a high share of workers with low tenure. While the situation has improved, in 2018 still a fifth of workers had been with their employer for less than one year, and 12.8% for less than six months (Eurostat, Labour Force Survey data). In Italy 7.5% of workers had been with the same employer for less than 6 months.

Some countries have enlarged access to unemployment benefits as well as to STW schemes for workers who otherwise would not have acquired sufficient rights because of their short or unstable work history (e.g. Italy and Spain). In a range of countries **temporary agency**

<sup>41</sup><https://www.economie.gouv.fr/Covid19-soutien-entreprises/reponses-gouvernement-difficultes-independants#>

<sup>42</sup> <https://guichet.public.lu/en/actualites/2020/avril/09-aide-independants.html>

<sup>43</sup> <https://business.gov.nl/subsidy/temporary-bridging-measure-self-employed-professionals-tozo/>

**workers** have been granted **access to STW** schemes (e.g. in Austria, Germany and Italy). In **France**, the right to access unemployment benefits for workers in casual employment in show business will be extended until end of August 2021. In **Croatia**, there have been changes to the STW scheme for seasonal workers (see Section 2). **Spain** introduced a range of changes to increase income protection for workers who would not have acquired enough rights to claim benefits (see Box 2).

**Box 2.** Temporary changes to the coverage of the unemployment benefits scheme and STW scheme in Spain

Coverage by the unemployment benefits system, including access to partial benefits under the STW scheme, have been extended to include:

- Permanent and seasonal workers are now covered by temporary lay-offs (ERTEs). This protection also covers workers unable to return to their work on the scheduled dates as a result of Covid-19 who either have sufficient periods of paid contributions but do not have the legally-required unemployment status, or who are ineligible for unemployment benefits because they have not paid enough 'national insurance' contributions.
- People who became automatically unemployed by law due to termination of employment during their probationary period while the State of Emergency is in force.
- Termination of employment during the trial period at the request of the company, when this occurred after 9 March 2020, will now be considered a legal situation of unemployment regardless of the cause for the termination.
- Legally unemployed people who have voluntarily left one job to move to another with a firm offer, but the contract had not yet been signed.
- Likewise, workers who voluntarily left their job after 1 March 2020 because they had a firm job offer from another company will be legally unemployed. This provision is equivalent to being registered unemployed if the job offer was withdrawn as a result of the Covid-19 crisis. To be legally unemployed, the worker has to present a written notice from the company withdrawing the job offer as a consequence of the Covid-19 crisis.
- Access to extraordinary unemployment benefits to support the cultural industry in terms of unemployment benefits for performers in public shows covered by the General Social Security System.

Some groups are, however, not protected. So-called 'minijobbers' in **Germany** (earning up to €450) and workers earning less than €460 in **Austria** are not covered by the STW scheme, while in Germany they also do not have access to unemployment benefits either. Many countries have not increased coverage of their unemployment benefits schemes.

In the Netherlands, in June, a new temporary benefit was introduced for workers with a flexible contract who are not eligible for unemployment benefits (TOFA)<sup>44</sup>. The total gross amount of the benefit was €1,650 (€550 per month, in March, April and May).

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<sup>44</sup> To be eligible for this benefit, workers on flexible contracts need to (i) be over 18 years old, (ii) have had an income of over €400 per month in February 2020, (iii) have had an income over €1 in March, (iv) have had an income lower than €550 in April 2020, and (v) to have seen their income decreased by more than 50% in April compared to February.

## 5 Guidance and counselling services for jobseekers and employers

### 5.1 Provision of information

#### Provision of general Covid-19 related information by the PES

The need for information by employees, jobseekers and employers has increased through the introduction of new measures and amendments of regulations (for example as reported by the Croatian PES). The PES and related Ministries have in general enhanced their information services on the web, often presented in form of Question and Answer (Q&A) sheets (e.g. in Finland<sup>45</sup>, Portugal<sup>46</sup> and France<sup>47</sup>), and social media (e.g. Facebook and Twitter, also YouTube in Germany, or LinkedIn and YouTube in the case of Croatia) are also used, as well as traditional print media, television and radio (e.g. Actiris in Belgium and Slovenia).

#### Channels used by clients to contact their PES to get information

Remote interactive information channels have been set up, such as phone hotlines (e.g. in Cyprus and the User Attention Centre – the CAU - in Spain providing general information). Information on benefits claims is most frequently sought, and Section 3 has further information on the different hotlines in Spain. The capacity of call centres has needed to be drastically enhanced. For example, the Slovenian PES and Actiris, the PES in Brussels, both increased their staff in call centres by a factor of five, while the number of calls to the German PES increased 20-fold, from 100,000 calls per day in February to two million calls on a peak day in March (OECD 2020b). One issue that has arisen is the capacity limits of the existing phone systems (e.g. as reported by the French and German PES). Actiris, the Brussels PES, has enlarged its client group at the contact centre to also include employers and partners in addition to jobseekers. It also provides information outside the PES scope (legal information on unemployment registration and benefits payments, and Belgian federal government competencies). The French PES (*Pôle emploi*) has created access to individuals who have hearing loss or are deaf to its phone services (3949), thanks to its 'Roger Voice' app. This app creates subtitles for calls using automatic speech recognition or, for deaf users communicating via LSF (French sign language), a video interface is prompted with an interpreter or coder, which then relays all the words. This app and the service are both free of charge.

Clients can usually also contact counsellors by email. Some PES also offer contact on social media (e.g. through Facebook in Iceland, Portugal and Croatia).

### 5.2 Face-to-face and remote counselling delivered through a variety of channels

While most PES closed their offices completely for their clients (e.g. Germany, France, Denmark, Croatia, Spain, Estonia, Lithuania, Greece and Poland), others maintained a minimum of face-to-face services (e.g. Slovakia maintained daily opening hours from 8am to 11am). All PES offer remote counselling services, although with a varying intensity, a

<sup>45</sup> [http://www.te-palvelut.fi/te/en/special\\_pages/corona\\_situation/index.html](http://www.te-palvelut.fi/te/en/special_pages/corona_situation/index.html)

<sup>46</sup> <https://Covid19estamoson.gov.pt/>. In addition, an IOS and Android App (App *Covid19-Estamos On*) is available.

<sup>47</sup> <http://www.pole-emploi.org/accueil/communiqués/pole-emploi-face-a-la-crise-sanitaire-Covid-19-reponses-aux-questions.html?type=article>

varying scope, and varying focus in the channels used. In Italy, for example, in addition to using phone or email, the PES clients can contact their regional employment services through the regional portals, or through the MyAnpal portal, where they can register as 'citizens' to register online for the DID online or the Youth Guarantee.

Most PES have provided emergency counselling services online during the Covid-19 emergency period. Those PES that already had more advanced provision of e-services before the Covid-19 crisis (e.g. the Netherlands, Estonia, Norway and Sweden), could offer a quite wide range of services, although there are limits. Experience in the Netherlands, Denmark, Norway and Germany indicates that some groups of workers and jobseekers are more likely to use e-services than they would have if these same services were offered in physical meetings (e.g. in Denmark take up of the e-services was high, although this was voluntary), while some groups are 'left behind'. The latter are mainly groups with less well-developed digital skills, and they often also have complex employment barriers, psychological problems, or low motivation. Lacking language skills may also be an issue. The German PES stresses that the first contact with the employer or individual in the Covid-19 emergency period is important in order to gain their trust, given that for many employers requesting to participate in the STW scheme, and for jobseekers as well, this would be their very first contact with the PES, so it is important that counsellors can deliver good quality services remotely.

### Channels and digital tools used for counselling

A wide variety of channels are being used for remote counselling - phone, Skype and similar communication apps, right up to group meetings and webinars using audio and video conferencing technologies. Some examples are provided in the following:

- The **Swedish PES**, Arbetsförmedlingen, had already moved to a digital first policy, so the majority of jobseekers have most of their contacts with Arbetsförmedlingen remotely – on screens or by phone. Likewise, most employers manage their contacts remotely, online or by phone. The same applies to private providers. Concerning physical meetings, employment officers have the right to ask the jobseeker if they have been in a risk area and in that case, if they can have a remote meeting instead. If it is not important to have the meeting immediately, the officer can then book an appointment. All external labour market services and training should, as far as possible, be offered remotely. Private providers are required to adapt their operations to comply with the recommendations during the Corona outbreak<sup>48</sup>. The large inflow of jobseekers has led to a significant increase in the number of 'Personal Distance Meetings' (PDMs). Currently, approximately 1,150 Arbetsförmedlingen employees provide services through PDMs. At the beginning of June, an additional 600 employment officers, previously providing face-to-face services, will undergo a four to five-day introductory programme to get in routines and practice the technology in order to provide PDM meetings with clients. In addition, the Swedish PES participates in a 'Hack the crisis' initiative (led by Government Agency for Digitalisation) – where participants brainstorm solutions to the crisis. As part of the initiative, a virtual 'hackathon' to find solutions to the challenges related to the corona crisis was held from 3 to 6 April. Arbetsförmedlingen was one of the main stakeholders in the initiative and identified a number of challenges where the 'hackathon' could be able to contribute new

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<sup>48</sup> <http://wapes.org/en/news/arbetsformedlingens-measures-handle-coronacrisis>.

innovative and digital solutions, for example<sup>49</sup>: how can we identify skills of those being laid off that are close to skills which are now in high demand? How can Arbetsförmedlingen support the agriculture and forestry industries to get people to work there? How can people working with culture and media find new ways of reaching their audiences and make a living from it? How can we easily help more employers to get temporary personnel on board?

- In **Estonia**, where the PES is already relatively advanced in the provision of e-services, PES clients are contacted by their counsellors via phone or Skype. Counselling services may be provided by phone, Skype or other audio/video conferencing in agreement with the client. All applications are made online, though they can also be done by phone, if needed. The identification of the caller is done by asking questions related to the data that can be seen on the controller's screen. To provide career services for groups of people, Microsoft Teams was added at the end of March to the previous online channels (Skype, phone and e-mail).
- In the **Netherlands**, the PES also use videoconferencing for counselling.
- In the case of **Denmark**, each municipality has chosen the appropriate way to communicate, either by skype, phone or e-mail for internal and external communication.
- In **Slovenia** counselling services were provided through the website and client portals. These already offered various services (registration, job-matching, self-assessment, counselling, etc.).
- In **Portugal**, the PES have also started to use videoconferences for individual and collective assistance to jobseekers that have digital skills. Job centres and training centres are open, and face to face services are available through pre-scheduling appointments for urgent requests, when the digital and analogue means of communication, by their nature or for any other reason, fail to help.

### **Restricted delivery of specific services and the reorganisation of service delivery**

Some PES have had to substantially restrict their services, because the treatment of benefits, including the STW scheme requests, has absorbed large parts of their time and capacities. In **Austria** and **Slovakia**, very limited counselling services are offered, and in AMS, the Austrian PES, employees particularly concentrate on securing livelihoods for their clients and processing short-time work benefits. Likewise, the **Spanish PES** has focused its effort on handling benefit claims.

Some others, such as the **Portuguese PES**, have limited face-to-face services when they are strictly required. In order to avoid unnecessary visits to the job centres and vocational training centres, information requests are provided exclusively by phone and online. (Pre-scheduled) face-to-face interview are still possible, but they are limited to urgent requests and services which cannot be provided electronically.

Group activities, training and workshops, planned before Covid-19, were cancelled or postponed, for example in **Croatia**. Limitations to the provision of some counselling services occurred because the ideas needed for delivering counselling and group activities remotely had not been previously designed and staff not been trained. Limitations also apply to the type of activities that can be offered remotely.

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<sup>49</sup> Further information about 'Hack for Sweden' and 'Hack the crisis' can be found at: <https://hackforsweden.se/dream-for-sweden>.

In **Belgium**, the Brussels PES (*Actiris*) suspended the first professional orientation interviews with the counsellor for new joiners (jobseekers who register for the first time). These take an hour, but the methodology has not been adapted to the phone or other environments. Follow-up interviews and counselling are ongoing, by email, phone, and there are trials with Webex (and other online virtual platforms). Other specific counselling needs such as guidance and social consultations occur via email or on the phone. 100% of 'Actiris Select' services are available online, through clients' personal space online or through phone calls with their usual counsellor.

In **Finland**, periodic interviews with jobseekers are only arranged at the start of the job search for jobseekers with a special need for an interview.

Many of the PES contacted directly for this study (e.g. the **Danish, French and German** PES) said in their interviews that services such as meetings with specialists, e.g. psychologists, need to be provided physically, as otherwise the quality and effectiveness of these meetings would suffer too much. More generally, online services cannot replace interviews for claiming benefits and registration for unemployment, as specific information can get lost through online registration (in the experience of the French PES, for example). Also, medical tests and skills tests, e.g. for deciding on re-training measures, cannot be conducted (fully) remotely.

The **Croatian** PES has changed its procedures in order to rely on basic profiling of the unemployed so it can provide adapted individualised services.

### **Box 3.** Statistical profiling in Croatia

**Croatia** needed to fully rely on a computer-aided statistical profiling tool during the lockdown, while in normal times it uses a combination of statistical and counsellor-based counselling. The guidance instructions are designed with useful advice and structured questions for the unemployed person. Once the questionnaire is filled out, an unemployed person then submits it to their counsellor. All correspondence is being conducted through email. Before the counsellor enters the data received in the IT system, they check it and clarify it in order to define a Job Search Plan in cooperation with their client. This is done to avoid physical contact but also to define potential work and a job search plan, and to identify all the obstacles to job searching and activities/support a jobseeker needs, such as training or other ALMP measures. In order for this to be achieved, profiling or categorisation must be conducted. While this is typically done with a combination of a statistical profiling tool and a personal impression from the counsellor, in these new circumstances the counsellors rely on a computer-aided statistical profiling system introduced several years ago.

In those countries where offices have been closed, a range of professional services cannot be delivered, e.g. psychological profiling, and suspensions of workability checks for the receipt of disability benefits (see above). In some cases, the PES is offering professional services that require face-to-face contacts for a specific group of clients, as the example of Croatia shows.

**Box 4.** Targeting professional PES services towards those who need it most in Croatia

In **Croatia**, most of the professional guidance activities for the unemployed and jobseekers have been temporarily stopped. Only the services regulated by various legal and regulatory provisions which are deemed immediate during the Covid-19 crisis are being provided, such as professional guidance for pupils with developmental disabilities and pupils with health problems required for a high-school enrolment. Activities were, wherever possible, adjusted in order to decrease the potential health-related risk for both the clients and the counsellors providing services. For example, psychological testing is conducted in smaller groups, respecting epidemiological recommendations on social distancing, disinfection and protective equipment, while individual activities are conducted via phone or online platforms. The documentation needed for the implementation of an activity, or the product of an activity, is only sent through email.

In some PES (e.g. Denmark), the Covid-19 crisis and the measures taken to protect citizens, including clients in job centres, have strengthened and pushed forward efforts to digitalise services and develop online guidance platforms etc. Nevertheless, there are still varying perceptions of what a good mix of physical and remote service provision would be in the post-Covid-19 era. It is quite probable that some of the e-service provision will be maintained, and further developed and improved in the post-pandemic phase, once their usefulness and acceptance has been assessed and re-evaluated (in the opinion of the case study interviews carried out for this paper).

## 6. Active Labour Market Programmes for the unemployed

Active Labour Market Programmes are mainly designed to bring people into direct employment or to enhance their employability and skills level so that they increase their probability of finding employment. While ALMPs are mainly accessible for the unemployed and specific vulnerable groups such as school leavers, as young NEETs and people with disabilities who need support for vocational rehabilitation, some countries have expanded access to ALMPs to specific groups of workers in employment (e.g. low-skilled older workers), when dismissal is announced (e.g. Lithuania and Germany) or to workers participating in STW schemes. With a view to promoting workers' skills adaptation and promoting continuous training, some countries have increased the responsibilities of PES in this area (e.g. Germany).

### 6.1 Training measures

#### Restricted delivery of training measures

As shown above, a number PES have focused their efforts on handling and processing benefit claims so training activity has been suspended if it cannot be delivered online. In **Slovakia** and **Croatia**, for example, all training activities have been suspended. Those who were already registered in these measures may get income support even if participation is not possible, as non-participation is not their fault (e.g. in Lithuania, Germany and Portugal, see also Section 3).

#### Combining training measures and STW schemes; and promoting continuous training

Some well-established STW schemes (Austria, Croatia, France, Germany, Luxembourg and Portugal) in principle offer financial incentives for firms to offer - or for employees to participate in - training during periods of short-time work (Mosley 2020<sup>50</sup>).

Participation in training during periods of short-time working, either provided by the employer or third parties, is mostly not mandated in any of the STW schemes, but it is an option in many countries (including as well Belgium, Spain and Italy)<sup>51</sup>. It is usually an integral part of STW schemes in **Portugal**. The **Spanish** scheme in principle requires that training is offered to affected workers, although there is no evidence that this has been enforced in the past<sup>52</sup>. Experience from the past recessions indicates that implementation of training measures during participation in STW schemes has been low, mostly not exceeding 10% of workers (Hijzen and Venn 2011). In the **Netherlands**, employers that make use of NOW 2.0 are obliged to make an effort to educate or upskill their employees in order to maintain employment opportunities. There is an obligation to discuss this with the employee council. In **Italy**, the 'Relaunch' decree provides for the possibility of introducing training modules through a training fund when STW schemes are in place. A €230 million fund established within Italy's National Agency for Active Labour Market Policies (ANPAL) will be devoted to training.

The **German** PES pays all or part of the cost of training for workers participating in an STW scheme. In the previous financial crisis in 2009, when take-up of STW was also high, only 5% of short-time workers took up training. Nevertheless, a few examples of good practice

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<sup>50</sup> Based on ECE country fiches drafted in 2019.

<sup>51</sup> Mosley 2020, based on information from the ECE fiches and other sources.

<sup>52</sup> Mosley 2020, according to the Spanish ECE fiche.

can be found, often based on agreements between social partners, including Works Council Agreements (Heidemann, 2011). Reasons for the low take-up in the past is that companies do not immediately have plans at hand to implement training measures for a significant numbers of their workers. Another planning uncertainty is linked to the fact that workers need to be immediately available for work as soon as the situation permits it. In the current Covid-19 crisis, the implementation of training measures seems difficult, as all the training would currently have to be online. Nevertheless, the German the trade union umbrella organisation, the DGB, states that companies should set up agreements with Works Councils and consult with the PES to work out training needs.

In **Sweden**, the government has launched an initiative where employees working in care for the elderly can be offered paid training during working hours to make it more attractive to work in care for the elderly. The state will fund the cost of the time the employee is absent due to studies.

### **Promoting e-training and new training formats in line with the social distancing rules**

To enable jobseekers to prepare for reintegration in the labour market, the **French PES Pôle emploi** grants access to over 150 training courses available online<sup>53</sup>. The courses are free of charge and jobseekers are entitled to financial support when following this training. This training covers 20 sectors and occupations with employment opportunities, for example: IT (web developer), sales and marketing, building (electricians), catering (including bakers and cooks), education and care, commercial professions (such as hairdressers and beauticians), accounting, languages and setting up a business. The National Employment Fund (FNE) will reimburse 100% of the training costs for companies which offer training to employees during their period of short-time work. In the context of the Covid-19 crisis, it was possible to speed up the implementation of this plan by one month.

The **German** PES aims to increase the training available, setting incentives for training providers to adapt learning offers to the situation of the pandemic. Higher costs should therefore be reimbursed to training providers. In addition, BA, the German PES, gives information about online learning possibilities, including courses at no charge<sup>54</sup>.

In **Portugal**, due to the current needs of social isolation, the development of distance training will be viable through the Office 365 platform. This platform sets up professional training for workers who may be selected by employers within the framework of the exceptional support currently provided, and for other trainees included in the training provided by the Employment and Vocational Training Centres of the Portuguese PES.

### **Promoting short training programmes for jobs in demand**

In **Denmark**, the PES is in contact with sector representatives where there is increased demand to understand skills needs. The STAR, the Danish PES, is supporting municipalities in setting up vocational training courses, e.g. to close the skills gap of a former worker in the hotel and restaurant sector to be able to retrain, for example, for work in the logistics sector. The PES also supports the private sector by offering online courses for employees. As an illustration, the PES has developed a 30-day vocational training course for employees

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<sup>53</sup> <https://www.pole-emploi.fr/candidat/en-formation/formations---actualites-evenemen/pour-vouspreparer-a-travailler.html>

<sup>54</sup> <https://www.kofa.de/dossiers/digital-aus-und-weiterbilden/digitale-medien-in-der-betrieblichen-weiterbildung/passende-e-learning-angebote>

within the service, tourism, hotel and restaurant industries. The PES has developed the course in cooperation with a trade association and a trade union. The course focuses on industry-specific qualifications such as online customer service, sales & marketing, and food hygiene. Companies across the country can enrol their employees in the course instead of laying them off. The Danish PES continues to closely observe changes in labour demand and changes in the skills needed in the workplace.

Similarly, in **Sweden**, employers within the agriculture and forestry industry, usually relying on international seasonal workers, are looking for labour. The PES has an ongoing dialogue with industry representatives to clarify the skills required and possible solutions. To have preparedness for increased educational needs in case the employers decide to hire staff from Sweden, the PES collaborates with training providers to develop short labour market training courses, partly remotely. The training lasts five days at a distance followed by five days internship. Participants should then be able to gain employment directly involving simpler tasks.

## 6.2 Employment incentives

In most PES, the implementation of employment incentives has been suspended or take-up was very low. A **few PES are continuing to run specific programmes** and are starting to decide new measures, mainly for vulnerable groups of workers. Examples are given below:

- In **Croatia**, the only measure which is still active, apart from the STW schemes, is the Permanent Seasonal Worker scheme, whereby the eligibility period for the financing of active contracts has been legally extended (permanent seasonal workers will receive financial aid from the Croatian PES, the CES, for longer than six months due to the lack of jobs in a tourism sector).
- In **Portugal**, the 'Extraordinary support for the Reinforcement of Workers in Social and Health Facilities from Private Institutions of Social Solidarity' is a temporary scheme to ensure responsiveness in the social and health sectors (namely, health services, hospitals, residential structures or services for the elderly and people with disabilities) during the Covid-19 pandemic. It temporarily introduced an increase in the monthly grants of the 'Employment Integration Contract' and the 'Employment Integration Contract +' for projects carried out in these institutions. The eligible recipients are: (i) unemployed people (regardless of whether they are enrolled in the PES), (ii) workers with a suspended employment contract or reduced working hours (laid-off), (iii) workers on part-time employment contracts, and (iv) people that are receiving the minimum guaranteed income. Students and trainees aged 18 or over may be integrated into the projects covered by this measure. These workers cannot be over 60. These schemes ensure, among other benefits, that the recipients integrated in these projects receive the following financial support: monthly grants, meal allowances, transport expenses and occupational accident insurance. The PES pays for the co-funding of 90% of the grant allowance.
- In **Greece**, the reforms to the OAED employment subsidy programme for the older long-term unemployed (aged 55-67) means the number of places has grown from 3,500 to 8,500.
- In **France**, an exceptional budget of € 1 billion has been made available for supporting apprenticeships. Exceptional hiring subsidies will be granted to companies with less than 250 employees. From 1 July until 28 February 2021, the support will be €5,000, when hiring people under the age of 18, and €8,000 for adults.

## 7. Placement services

In general terms, the number of new vacancies registered at the PES has declined dramatically overall, although demand has expanded for certain professions and sectors, such as agriculture and food production, health care, logistics and IT services.

The PES have reduced their overall placement activities, except in some or all of the above mentioned sectors. The **Cypriot** PES have put all vacancies on hold until restrictions are relaxed, except those for needed activities such as staff for supermarkets. In the French-speaking part of **Belgium**, the PES *Le Forem* has increased specialised staff capacities in the contact centres to support employers in the essential sectors (a specific code 'Urgent2020' is used for these job vacancies)<sup>55</sup>.

Another trend is the digitalisation of placement services (see Box 5).

### Box 5. Pushing digitalisation of placement services

In **Sweden**, the PES has also recently launched a **new digital interview tool for employers**. With the new tool, employers who post their job vacancies with PES get access to the tool for remote quick interviews with jobseekers. The recruitment tool is free of cost and combines live video with a number of additional HR functions.

In **Estonia**, the digitalisation of placement services has advanced. Job-fairs have been moved to an online platform, allowing real-time job mediation together with the possibility of participating in various seminars and webinars<sup>56</sup>.

To respond to the demand in those sectors that are often seen as 'vital', 'relevant for the system'<sup>57</sup>, or as 'critical sectors', or 'useful' or 'vital' occupations (including a wide range of jobs, for example medical care, food shops and IT services), new job portals were set up in cooperation with, or by, relevant sector associations or relevant ministries.

<sup>55</sup> <https://www.leforem.be/coronavirus-mesures-prises-par-forem.html>

<sup>56</sup> Temporary job offers fair: <https://www.onlineexpo.com/en/temporary-job-offers/>; Tallinn 2020 job fair: <https://www.onlineexpo.com/en/work-and-career/>

<sup>57</sup> By analogy, in Germany for example, during the financial crisis the banks and big companies were regarded as key players in the economic system.

**Box 6.** New job portals in selected countries

The **French** PES, Pôle emploi, has listed useful tools/links online for companies (health measures for employers and jobseekers; information on lending workforce volunteers from companies to the critical sectors; and links to the Ministry's safety measures according to occupation). They also set up, with the Ministry of Labour, and the involvement of industry associations, a portal with vacancies for critical sectors (agriculture, the food industry and the health sector) which need particular attention<sup>58</sup>. On 5 May 2020, 11,145 vacancies were available on the portal. The platform has the advantage of offering easier access to vacancies and matching but it does not give employers the usual individualised placement services that the PES usually offers (e.g. the pre-selection of candidates). For seasonal workers in the agricultural sector, the '*plateforme des bras dans ton assiette*' was created in a partnership between Pôle emploi and sector organisations<sup>59</sup>.

In **Sweden**, the PES has launched a new section on its vacancy database, Platsbanken, where employers with an urgent need for staff can post their vacancies under the hashtag #jobbjustnu ('Jobs right now'). In April, there were about 200 job openings with this hashtag and more vacancies keep coming in. For jobseekers, there is also a new link to the vacancy database where the ads can easily be found.

In **Germany**, an online platform was set up by the Federal Ministry of Agriculture to help agricultural companies find local harvest workers (e.g. students, refugees and workers in companies closed for quarantine)<sup>60</sup>.

In **Estonia**, to fill part-time vacancies more quickly the PES works with 'Share Force One', a workforce sharing platform that connects businesses (B2B) through a temporary workforce exchange<sup>61</sup>.

The **Latvian** PES, the SEA, plans to organise a campaign on seasonal work, including agricultural work, to address and bring together employers and jobseekers, in order to support those employers whose workload has increased or who face the start of seasonal work. As part of the campaign, the SEA will suggest to employers who offer seasonal job vacancies that they register with the SEA and offer them suitable candidate selection services. Information about vacancies and selections will be published in the SEA branch offices and on their website. Information about the campaign will be disseminated in the media.

Requirements for posting vacancies were adapted to the current situation in some cases. In Croatia, for example, the vacancies published by the PES must now show obligatory information about the mode of operation and the protective measures which the employer has undertaken to prevent the infection. In France, a new platform for «priority vacancies» (see details above) only accepts vacancies where the employer has committed to paying particular attention to public health protection measures for its employees.

<sup>58</sup> [www.mobilisationemploi.gouv.fr](http://www.mobilisationemploi.gouv.fr); for press releases, see:

<https://travail-emploi.gouv.fr/actualites/presse/communiqués-de-presse/article/lancement-de-la-plateforme-mobilisationemploi> and <https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/mobilisation-exceptionnelle-pour-l-emploi-lancement-d-une-plateforme-de>

<sup>59</sup> <https://desbraspourtonassiette.wizi.farm/>

<sup>60</sup> <https://www.daslandhilft.de/>

<sup>61</sup> <https://shareforceone.ee/en/>

## 8. Measures to promote labour mobility and enhance labour supply

### 8.1. Promoting labour mobility within and across sectors and occupations

As shown above, conditionality rules for unemployment benefit and minimum income recipients have been softened or suspended in many cases. STW schemes are designed to allow the employer to rapidly upscale economic activity without additional transaction costs, while still binding the worker to the employer. In principle these measures reduce flexibility in the labour market. The temporary lay-off schemes are more flexible by design.

As there has been labour demand in specific sectors (see above), some European countries have changed their rules to **promote labour mobility** with the objective of overcoming labour shortages in **specific sectors**, or general labour shortages. Measures include the compatibility of the receipt of unemployment benefits or STW support with taking up employment, mostly up to a certain limit. In addition, in a few countries, rules to allow for the temporary transfer of workers from one company to another have been established. Moreover, for some groups, restrictions on being allowed to work were loosened or removed (e.g. students and asylum seekers). In the Box 7 below, some country examples are presented:

#### Box 7. Measures to rapidly increase labour supply in selected countries

In **Belgium** the number of hours that students can work was increased and asylum-seekers were allowed to access the labour market mainly to support the lack of manpower in seasonal work and short time work (STW) – the asylum-seekers were given the possibility of working temporarily in horticulture and forestry. At the same time, the rules on the temporary secondment of employees to companies in ‘critical’ sectors were loosened.

In **Germany**, to promote mobility and to reduce labour shortages in sectors where there is demand, the government has made the additional income possibilities from the STW allowance easier from 1 April to 31 October 2020, as long as the amount of money does not exceed their previous normal net income. This rule was first limited to employment in a ‘system-relevant sector’ during short-time working. The ‘secondary employment’ requires no unemployment insurance payments.

In the **Netherlands**, beneficiaries who are willing to volunteer in one of the ‘vital professions’ while maintaining their unemployment benefits, can start immediately and do not have to wait for the PES to process their application. The PES itself usually employs doctors and nurses for medical processes to assess sickness benefits and benefits for disabled allowance. Any one of these people who is willing to work in hospitals is ‘lent out’.

In **France**, employees on an STW scheme may accept being temporarily transferred to another company in need of staff.

In **Sweden**, health and medical care students can help out in the health care sector without their student aid being reduced. It is proposed that the income ceiling for all those receiving student aid is temporarily removed.

In **Spain**, the receipt of unemployment benefit, including partial benefits under the STW scheme and other social or employment benefits, has been made compatible with agricultural work. Migrant workers whose work permits expire in the period after the declaration of the state of emergency and up to 30 June 2020 are also eligible to use this system as well as for young (age 18 to 21) third-country nationals who are legally employed.

Restrictions of labour migration has in many cases had the effect that the lack in migrant seasonal workers in the agricultural sector has been substituted by domestic workers. In **Croatia**, most seasonal workers were previously employed in tourism sector, but now most of them are employed in agriculture (because of the decrease in the number of migrants from third countries).

## 8.2 Managing international labour migration

The free movement of workers has been one of the pillars of the European Union and part of the Treaty of Rome. The coronavirus pandemic has led to the introduction of unprecedented measures across EU Member States, including checks at the internal borders within the Schengen area. The European Commission issued guidelines<sup>62</sup> on the free movement of labour in the context of the coronavirus pandemic. With the Covid-19 emergency, borders within the EU were closed with some exceptions such as work-related reasons. This includes, but is not limited to, those working in the health care and food sectors, and other essential services like childcare, elderly care, and critical staff for utilities. However, crossing the borders became more difficult as some countries had quarantine rules for workers coming back home (despite this, there were exemptions for cross-border commuters, seasonal workers<sup>63</sup> etc.).

Nevertheless, in Germany the migration of seasonal workers continued, although at a lower level (see Box 8).

### Box 8. Seasonal workers migrating to Germany

In **Germany** at the beginning of April, the Federal Minister of the Interior and the Federal Minister of Agriculture agreed to allow 40,000 foreign harvest workers to enter Germany in April, May and June. By mid-May 33,000 seasonal workers had arrived in Germany. There are still an important number of seasonal workers in German agriculture, mainly coming from Poland and Romania. The agricultural sector has its own recruitment channel for foreign seasonal workers, companies often do not involve the PES. The decrease in the supply of foreign seasonal workers in agriculture could be compensated (at least partly) by supplying short-time workers and students.

<sup>62</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_545](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_545)

<sup>63</sup> As regards seasonal workers, particularly in the agricultural sector, Member States were asked to exchange information on their different needs at a technical level and establish specific procedures to ensure a smooth passage for such workers to respond to labour shortages as a result of the crisis. Seasonal workers in agriculture carry out critical harvesting in certain circumstances, also planting and generally tending to crops. In this situation, Member States should treat these people as critical workers and communicate to their employers the necessity of providing them with adequate health and safety protection.

The restricted travelling conditions had an impact on the activities of EURES, the European network of PES<sup>64</sup>, designated to facilitate the free movement of labour. In general, EURES activities were substantially reduced in the receiving countries, such as Germany, France and Spain. EURES activities required as a response to the Covid-19 emergency were:

- Supporting jobseekers with a mobility project in Europe, even if mobility is obviously more difficult at this moment. The requests from jobseekers from other European countries via the EURES network have declined sharply, but the PES is still working on providing them with answers (**France**).
- Regularly giving updates on repatriation possibilities for jobseekers who have been sent abroad within either the framework of Erasmus (an EU student scheme) or the mobility scheme (France).
- Giving advice to foreign embassies on the possibility of foreigners accessing seasonal jobs in the agricultural sector. This depends on the end of lockdown (France).
- Maintaining bilateral activities with third countries where possible and concluding tax agreements to ensure that the increase in teleworking reduces cross-border commuters (France).
- Extending the work permits of migrant workers from a third-country whose work permits expire in the period after the declaration of the State of Emergency but before 30 June 2020 if they are (1) sufficiently experienced, (2) legally-employed, and (3) age 18 to 21 (Spain), thereby maximising their employment opportunities.
- Answering queries both to individuals and employers about third country nationals' rights and possibilities within the current framework (**Croatia**).

The results of Covid-19 in 'labour-sending' countries such as **Slovakia and Croatia** in terms of EURES activities were:

- Guaranteeing the repatriation of citizens back to their own country meant that they mostly did not have confirmation of employment from their last foreign employer (Slovakia).
- Submitting online registration to the labour office for those who were repatriated from abroad meant they automatically had to go to 14 days' quarantine (Slovakia).
- Guaranteeing social security coordination meant that, in the field of unemployment benefits, migrant labourers who returned claimed their benefits abroad (Croatia).

In some countries, EURES staff were mostly re-assigned to other tasks, such as job preservation subsidy applications, the registration of the unemployed, and completing claims for unemployment benefits etc. (e.g. Croatia).

Restricted international labour mobility could be partly offset by increasing the domestic supply of labour, through amending the rules for taking up or increasing employment for specific groups (see Section 8).

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<sup>64</sup> <https://ec.europa.eu/eures/public/en/eures-services>

## 9. Work organisation and crisis management

The surveys conducted for this study show that, to face the Covid-19 crisis, most PES in Europe adopted changes in their work organisation that ensure that the provision of services for the unemployed complying with national health safety rules for workers. The main challenges consisted of a number of PES having to manage the sudden extremely high increase in benefit claims, and the delivery of some employment services to jobseekers and the unemployed. Delivering these services has been rendered difficult by the public health measures in place. The paragraphs below briefly summarise approaches reported by PES.

### 9.1 Crisis management units

A number of PES have set-up crisis management teams or crisis management units (e.g. in France, Germany, the Netherlands and Spain). These teams need to handle institutional fragmentation, in some cases with a decentralised structure in the PES, and they need to cope with daily operational issues, as well as planning for 'exit strategies'. Some examples are given below:

- In the **Netherlands**, the PES introduced a 'crisis' team including their executive board and the Director Generals of the different divisions. They meet daily to discuss how well the measures that are in place work and to consider new measures. The intranet has extra information with daily updates on Covid-19 and working from home. At the same time, new teams are formed of existing and newly hired employees to carry out the 'temporary arrangement for the allowance of labour costs'.
- **Spain** shows how crisis management is being managed in a decentralised PES structure. A crisis management support unit has been set up at the Director General level within SEPE (the Spanish PES at federal level). To coordinate the crisis response in the decentralised structure of the Spanish PES, a management team and three WhatsApp groups have been set up to allow horizontal coordination within SEPE, the vertical coordination with the regional offices of SEPE and coordination between SEPE and the Director Generals of the PES in the 17 Autonomous regions. In addition, weekly video conference calls have been set up. The sub-directorate for Unemployment Benefits has set up a group of specialists for designing actions, coordinating the implementation of measures, detecting problems and searching for ways to resolve these.
- In **Sweden**, the *Arbetsförmedlingen* (the Swedish PES) has prepared for the Corona pandemic by creating and implementing a pandemic plan, which also includes teleworking (see Section 10.3 for details).

In some countries, PES are also involved in wider governmental crisis management teams, encompassing relevant Ministries and other actors. Some examples are given below:

- In **Austria**, a standing Research Committee includes leading research institutions, the PES and the Federal Ministry of Labour, Family and Youth. It is tasked with devising a strategy that forms the basis for planning future labour market policy on the basis of well-founded forecasts. This team will also advise the Department of Labour on an ongoing basis, assessing the consequences of the crisis.
- In **Finland**, Corona task forces have been established at the Ministry of Economic Affairs and Employment and there is regular cooperation with the KELA Centre (the organiser for Finnish Social Insurance) and PES Offices. Also, a joint crisis communication group consisting of different Ministries and regional offices has been

established. On 7 May, the Ministry of Social Affairs and Health and the Ministry of Economic Affairs and Employment (MEAE) appointed a high-profile group for strengthening wellbeing and equality in the aftermath of the coronavirus epidemic. The aim is to produce proposals on how to prevent persistent problems, social exclusion and an increase in inequality during the exit and reconstruction phase following the lifting of the restrictive measures used to tackle the coronavirus pandemic. In addition, the MEAE and the Ministry of Finance have appointed their own working groups to draw up an assessment of the impact of Covid-19 and to draw up measures which can be taken to limit the damage to the economy caused by Covid-19.

- In some other countries, such as **Germany**, the PES is included in the consultation process. The German PES works closely with the IAB research institute (which acts under the Federal Ministry of Labour).

## 9.2 Reallocation of staff and HR issues

Handling the sudden huge number of benefit claims has created an extraordinary organisational challenge for those institutions handling them. PES have changed the job descriptions of staff processing the claims, they have acquired additional staff through secondments from other institutions (e.g. in **Germany** and **Cyprus**) or hired new staff (e.g. in **Spain**, SEPE hired 1,000 new staff for a period of nine months). In Spain, the workload in the area of unemployment benefit claim processing increased by 5.5 times, despite the introduction of improved digitalised processing.

In **Germany**, by 5 May the usual 700 staff specialising in treating STW requests were increased by a support team of 11,300 extra staff reaching 12,000 staff altogether (a 17-fold increase). Some staff (around 1,000) were temporarily transferred from elsewhere in the public administration, but the vast majority of the PES staff come from the operating service. Roughly 11% of PES staff are now handling STW requests. As the capacity of the German PES is quite high, a range of other services can still be offered remotely (including a telephone hotline). In the **Slovak** PES, 2,500 out of a total of 4,200 staff (including 3,068 frontline staff) have been tasked with processing STW claims, so the implementation of the STW scheme by itself absorbs 62% of staff capacity.

A **very high sense of staff motivation** has been stressed by the **German, Spanish and Norwegian** PES. The staff often needed to work extra hours in order to handle the high number of benefit claims. In the German PES, it was noticed that the number of sickness days declined.

The PES staff that have not had to deal with the huge increases in benefit claims may have had their numbers reduced, as some of their services cannot be delivered remotely (e.g. through granting extraordinary holidays as in **France**, for example, where the numbers of benefit claims only affected a small number of staff; or temporarily laying off a third of the staff, for example in **Slovenia**<sup>65</sup>).

## 9.3 Working from home

As in other sectors of the economy, the spread of telework has been immense in PES. Most PES allowed or required workers to work from home whenever possible. The PES were in general well prepared. Some already had strategies in place to allow all staff to work remotely (e.g. in **France**, where this plan was 60% fulfilled by the start of the lock down)

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<sup>65</sup> During May, staff on a temporary lay-off were called back gradually and by the end of May all were asked to return back to their jobs.

and have experience with providing e-services (e.g. **the Netherlands**). In some PES 100% of staff worked from home, because their offices were closed. In other PES, some staff still worked at the office (e.g. in **Germany** and **France**), teams might have been rotating or grouped into two teams (e.g. in **Croatia**) to comply with the Covid-19 health and safety regulations. Given that in general not all staff were equipped for teleworking, and that PES could not quickly buy sufficient equipment in a very short period of time, staff also used their own devices. In general, remote access to the server needed to be established. Internal communication has in general been eased through the intranet, and the use of different audio and video conferencing tools. The following table shows the take-up of teleworking in some PES and summarises the key issues PES faced.

**Table 7.** Telework at PES

Country	Share of staff in telework	Issues
<b>Belgium</b>	Nearly 90%	New IT hardware and software was needed. Some staff still use their own devices.
<b>Croatia</b>	Low	Mainly those who belonged to a health risk group, or who preferred to telework for other reasons
<b>Denmark</b>	100%	'Not a big issue'; it was handled in a pragmatic way.
<b>Estonia</b>	100%	No information
<b>France</b>	Most	60% were already equipped to work from home. New laptops were ordered, but there were delays delivering the laptops. The intranet offers information on telework and a guide has been put in place internally.
<b>Germany</b>	20%	Overall, the number of teleworkers increased from approximately 4,000 to 20,000. Fully equipped telework possibilities have been increased from 2,500 to 8,000. The remaining staff got connections to the server from their personal devices. It is planned to increase this number by another 20,000. The objective is to have half the staff working from home. Staff have fully flexible working hours, as the schools and childcare facilities are closed, parents may need to work late in the evening or at weekends.
<b>Italy</b>	90%	90% of ANPAL ( <i>Agenzia Nazionale Politiche Attive del Lavoro</i> ) staff will be working remotely until 31 July. All meetings take place via videoconference (Amazon Chime). As far as citizens are concerned, ANPAL is putting in place actions to support them. Similar organisational models in the Covid-19 crisis have been adopted by the regions which are directly responsible for the PES activities and regional ALMP implementation. The meetings for the re-programming of the 'ESI' Funds with the managing authorities of operational programmes are also held by videoconference (ANPAL is the coordinating Authority of the ESF in Italy).
<b>Netherlands</b>	>90%	UWV (the Dutch PES) has a pool of employees who are certified coaches. With the high spread of teleworking, for some in combination with managing home-schooling and childcare, new dilemmas and challenges have arisen. Employees may become lonely, struggle with work-life balance or have other issues. Most employees who use this service will only need one video call, though a few are needed in some cases, but where needed the coaches are able to refer staff for professional help or mental healthcare. The UWV started a Covid-19 employee satisfaction questionnaire. Results were expected in the second week of May.

Country	Share of staff in telework	Issues
		UWV employees are designated as 'vital workers' so PES employees are allowed to travel to work, when needed.
<b>Spain (SEPE)</b>	51%	Increased from 16%. People with family responsibilities (reconciliation of family life) and high-risk groups should stay at home. Most of them using their own equipment
<b>Sweden</b>	60% of staff are providing distance services to clients	Staff preferring to work at home (for health reasons, child-care, etc) can do so. Some staff prefer to work in the office. Home computers etc. was not an issue

While the sudden strong increase in working from home posed a range of issues, it is quite likely that a higher level of telework will pertain after the crisis than before (e.g. in Germany and France). Perceived advantages are saving office space, which can be used for face-to-face interviews, and improving the work-life balance.

#### 9.4 Services offered in the re-opening phase

Some PES have already outlined their strategies for the re-opening phase, including public health rules, and a gradual take-up of activities, setting priorities for essential face-to-face services with distancing/screens. Many strategies and concepts concern the mix of delivery of face-to-face services and e-services, e.g. by starting with face-to-face interviews with a newly registered jobseeker and following up through other channels.

#### Box 9. Deconfinement strategy in the French PES

The **French** PES, *Pôle emploi*<sup>1</sup> will adapt its operations to continue supporting its users while preserving the health of its employees in the post-emergency phase of the Covid-19 pandemic. The return of users (jobseekers, companies, etc.) to job agencies will require preparation time. During the week starting 11 May 2020, the teams outlined a new layout for the public areas, and they defined the maximum number of staff and users that can be present simultaneously at each site. At the end of this preparation time, a 'go/no go' opening of the agency to the public will be made by the Territorial Director, or the Deputy Territorial Director.

Since 18 May, the public have only been allowed in *Pôle emploi* offices by individual physical appointment (except in emergency situations, at the discretion of the agency). Any entry of the public into the agency must be done through a health point.

Measures to take when the PES activities start again will include: the thorough cleaning of each site; physical presence at the site will only by appointment or for an emergency; the creation of a 'direction of circulation' in each site, with separate entrances and exits; a supply of sterilising equipment to each agent; the installation of Plexiglas at the workstation that deals with the public; passage for each user through a health point led by a counsellor equipped with hydroalcoholic gel; priority for staff working from home; the definition of a maximum number of people per agency; a minimum distance of one metre between workstations accessible to the public, a minimum distance of 1.5m between the workstations of two employees; a communications campaign; and on online tools will be made available to staff.

The main principles guiding the reopening of agencies are going back to normal activities taking into account our operational capacities and the constraints of the context of the health crisis. Working from home, when feasible, remains a priority. It is necessary to comply with the health instructions given by the public authorities. The activities carried out in agencies via physical interviews should be strictly identified. Each agency should have received signs, and a signage kit, to set up before the scheduled opening on 18 May.

Two **Belgian** PES, Actiris (Brussels) and Le Forem (French-speaking), are also preparing for working post-Covid-19. Actiris is launching an exercise of 'collective intelligence' within all its departments to collect ideas for actions to tackle the expected upcoming economic crisis, asking questions on how to deal with a high number of incoming jobseekers, innovative ways to re-integrate them into labour market, their training needs, means to evaluate ALMPs etc. and it is closely cooperating with the regional minister of employment to analyse the impact on the PES budget and government priorities. Actiris stopped the first vocational orientation interviews (usually a one-hour interview) between mid-March and mid-May. Since 18 May these interviews have started again using videoconference ('Webex' and 'Whereby') as well as email or telephone for follow-ups. Guidelines have been prepared for counsellors to adjust to this new way of working. So far, the reactions of jobseekers and counsellors has been positive. Priority is given to jobseekers who can express themselves in one of the official languages (Dutch or French). Jobseekers with an earlier registration date are contacted first. Actiris is preparing a partial reopening of physical services in mid-June. The goal is to make these accessible to jobseekers who cannot speak one of Belgium's official languages.

In **Latvia**, SEA, the PES, has decided that clients will have to have an appointment visit once every three to four months, and in between the client will have electronic appointments (via telephone or email).

## 9.5 Monitoring

Monitoring the inflow, outflow and stock unemployment often has a time lag which makes it difficult to get an overview of the current situation and changes that are underway. However, some **good practices** can be identified among the European PES, as the following examples show:

- Daily monitoring of the level of unemployment is done in a range of countries (e.g. **Denmark, Estonia, Finland, Norway and Slovakia**).
- NAV, the **Norwegian PES**, provides daily or weekly updates of key indicators such as unemployment, unemployment benefit claims, sick leave, the number of lay-offs announced and analyses of the CRM (Customer Relationship Management) data. In **Denmark**, closely monitoring job openings, and closely monitoring unemployment by sector and occupation, is perceived as crucial to fine-tune training policies. Also, daily (internal) monitoring of lay-offs is carried out in the PES offices in **Finland**<sup>66</sup>. The Finnish Labour Ministry has also started to regularly monitor the service capacity and capacity of the PES Offices to cope with demand (using a 'Webropol' online questionnaire).
- In **France**, communication on statistics related to unemployment and the STW scheme is published weekly on the DARES<sup>67</sup> website (*Direction de l'Animation de la Recherche, des Études et des Statistiques*) in collaboration with the DGEFP

<sup>66</sup> <https://tem.fi/en/information-on-coronavirus>

<sup>67</sup> <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/>

(*Délégation Générale à l'Emploi et à la Formation Professionnelle*) and the *Pôle emploi* web-site. However, data must be handled with care, as the indicators are from daily and weekly data processing, meaning they are not entirely reliable. The French PES has a weekly labour market follow-up of the estimates of costs and benefits from the Covid-19 emergency measures<sup>68</sup>.

- In **Germany**, the BA, the German PES, recognises the challenges in monitoring the labour market (e.g. the data published on 30 April refers to the situation of 14 April). The effects of the Corona crisis on unemployment are calculated by the BA's statistics office using a simple method that can be carried out in the same way in all regions, accounting for all the different characteristics. The statistics work on the assumption that without Corona unemployment would have followed a typical pattern.
- In **Spain**, the Social Agreement to Defend Employment of 11 May 2020 includes a Tripartite Labour Monitoring Committee set up to monitor measures adopted in the fields of employment, data and information exchange, and to propose and to discuss additional measures.
- In **Croatia**, the possibility of the external macroeconomic evaluation of the effects of the Job Preservation Subsidy is also under consideration.

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<sup>68</sup> <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/tableaux-de-bord/le-marche-du-travail-pendant-le-Covid-19/tableaux-de-bord-hebdomadaires/article/situation-sur-le-marche-du-travail-au-5-mai-2020>

## 10. Outlook and PES strategies and challenges

The economic forecasts of the European Commission for spring 2020<sup>69</sup> show that global demand, supply chains, labour supply, industrial output, commodity prices, foreign trade and capital flows have all been affected by the Covid-19 pandemic. The economic output is thus set to sharply decrease in the first half of 2020 with most of the contraction taking place in the second quarter. It is then expected to pick up, assuming (i) that containment measures will be gradually lifted, (ii) that the pandemic remains under control, and (iii) that the unprecedented monetary and fiscal measures implemented by Member States and the EU are effective at limiting the immediate economic impact of the crisis. With these assumptions, a complete recovery is not expected. The EU GDP is forecast to contract by about 7.5% this year, and to rebound by only 6% in 2021. This rebound, however, would leave the European economy, at the end of this forecast horizon, about 3% lower than the output level implied by the autumn forecast. Uncertainty about the pandemic, and different assumptions to the ones underpinning the baseline scenario analysis on which this forecast is based, would lead to very different projections.

The IMF predicts a rise in the unemployment rate in the euro area from 7.6% in 2019 to 10.4% in 2020. Their forecast is for it to then fall to 8.9% in 2021. Between 2019 and 2020, country variations in the forecasts for the growth in unemployment within the euro area are huge, with a small predicted rise in the unemployment rate, as measured in percentage points, in Germany (+0.7 percentage points), with a significant rise predicted in Spain (+ 6.7 percentage points), Portugal and Ireland. The unemployment rate could reach 22.3% in Greece, 20.8% in Spain, and 13.9% in Portugal, 12.7% in Italy and 12.91% in Ireland. The different short-term and medium-term forecasts are extremely uncertain for the reasons mentioned above, which renders the design of labour market policies extremely difficult.

PES analyse the current developments and elaborate scenarios in cooperation with research institutions and Ministries (e.g. Germany, France, Austria and the Netherlands). Basically, the labour market impacts, i.e. the rise in unemployment and long-term unemployment, depend on a variety of factors, linked to the rapidity of deconfinement, the development of the infection, the speed at which a vaccine and medical treatments are developed, and the speed of recovery in the global economy. Another set of factors are related to the effectiveness of business cycle programmes. In the **Netherlands**, the CPB (the Netherlands Bureau for Economic Policy Analysis) has created scenarios on future unemployment rates and the economy. A substantial rise in unemployment is foreseen in the short term and in 2021, however the scenarios vary widely. A '**cost calculation model**' is used. As service models are modular, the PES has calculated the frequency and the timing of service provision per newly registered jobseeker for all services, and the time needed for the service provision. **In Germany**, a range of differing forecasts and scenarios have been worked out.

Some PES have thus started to prepare for the next phase, despite the huge uncertainty. In **Denmark**, 10 million DKK (€1,339,243) has been allocated to ensure fast and targeted measures in the event of large-scale redundancies being caused by the Covid-19 crisis. These funds could be used for job search courses or upskilling. The usual 'Work Sharing' scheme run by the PES could be used again, once the special STW scheme runs out. In addition, the Unemployment Insurance Funds would implement some Active Labour Market Policies (ALMPs).

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<sup>69</sup> [https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin\\_forecast\\_spring\\_2020\\_overview\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_spring_2020_overview_en_0.pdf)

Similarly, in **Sweden**, an increase in funding for ALMPs is proposed to prepare for a continued rise in unemployment. The Swedish PES argues that the period during which a person has a subsidised employment, for example an 'extra job', a 'new start' job or an introductory job, should be extended by an additional year for those who already have this sort of job. It is also proposed that the maximum time for start-up support should be extended from six to twelve months. In addition, it is proposed that local governments receive extra grants for summer jobs for young people, and also grants for funding green jobs to enable subsidised employment, primarily in the area of nature and forest conservation.

The **Belgian** PES Actiris is reflecting on a portfolio of strategic projects that both ensure the continuity of services and take into account labour market challenges. This could involve (i) a temporary reallocation of resources towards strengthening the services provided to jobseekers; (ii) adopting a holistic, inclusive and non-discriminatory approach; (iii) providing an ambitious and responsible employer strategy; (iv) increasing training measures; and (v) promoting digital transformation with a human/sensitive approach.

In **Spain**, there has been a reallocation of funds for vocational training towards financing ALMPs and a **flexibilisation of the use of funds**. One of the sources of funding for the Vocational Training System for Employment is the funds from the vocational training levy paid by companies and workers (legally mandatory since 2015). Each year the National Budget Law sets out how the vocational training levy is to be allocated to funding the Vocational Training for Employment System so that the income from it cannot be diverted to different purposes. However, given the economic impact of the measures for tackling the Covid-19 health crisis, this allocation was changed. For this reason, income from the vocational training levy may be channelled into funding any of the benefits and actions in the unemployment protection system, or to programmes for promoting the hiring of unemployed people or helping them to get back into employment. In this way, it covers a broader range of actions than simply vocational training for employment. These measures mean that the funds allocated to the Autonomous Regions in 2020 financed from this levy may be used to fund employment promotion programmes and vocational training for employment initiatives, according to their own priorities. In SEPE's view, this gives greater flexibility in the use of funds allocated to active employment policy measures.

On the suggestion of the European Commission, ANPAL, the **Italian** PES which is responsible for ALMPs, will scrutinise the use of the European Commission's European Social Fund resources that could be made immediately available for its response to the Covid-19 emergency. This would include the establishment of a 'New Skills Fund' (€230 million from the ESF National Operational Programme managed by ANPAL) to support companies training and upskilling/re-skilling their workforce during the Covid-19 crisis, as well as financing the fixed-term hire of young NEETs (people Not in Education, Employment or Training) to work as healthcare staff (around €100 million euros from the Youth Employment Initiative). ANPAL is also financing, through the publication of ad hoc calls for interest, training courses aimed at supporting and accompanying the adaptability of workers to the changing world of work.

The current crisis may speed up structural change. In **Germany**, in the next phase (recovery and possible structural change), the support for continuous training measures could be relevant as a new law on continuous training was passed there in 2019 (*Qualifizierungschancengesetz*). Co-finance of training measures with employers is expected where training measures are supported by the PES. The new law could play a role for helping companies and workers adapt to structural changes created by the current crisis (although it is too early to assess what type of measure will be relevant in the future, as stressed by the German PES).

Several PES believe that the past experience will bring about an increased use of digitalised tools. Scarce financial resources will increase the pressure for targeting services and ALMPs. Thus, in **Croatia**, digitalisation will be the strongest PES reform so far, because it will significantly change the service provision and availability and rationalise business procedures. However, some clients do not have access to online tools. So, for these clients, personal contact with the counsellor will remain essential. It is perceived that digitalisation will help create a segmentation of clients into those who need more assistance from the counsellors and those who need minimum assistance. The prerequisite for this kind of segmentation is the development of a monitoring system, because Croatian Job Search Plans include obligations both for an unemployed person and for their counsellor, so it is important to have a monitoring system in place to track the activities and create a better relationship between the two.

The social implications of the crisis may become worrying in those countries with high unemployment and those with a weak social protection coverage of the most vulnerable. Therefore, in **Spain**, the Ministry of Inclusion, Social Security and Migration, is working on the implementation of a universal basic income (the 'Minimum Vital Income'). It was expected to be submitted to parliament at the end of May or the beginning of June. The main eligibility requirements were income and job search. This comprehensive minimum income framework scheme will be a pioneering experiment and will require a significant coordination effort and monitoring of its impact on PES users and operation.

## 11. Conclusion

The Covid-19 crisis has had a major impact on the activities of PES and relevant Labour Ministries. Nearly all countries have adapted, revamped, activated or introduced short-time work schemes to prevent unemployment. Many of these schemes also include, at least temporarily, a possible 100% reduction of hours. The few (mainly Northern European) countries without short-time work schemes have schemes for temporary lay-offs in place that foresee workers will be re-employed by the same employers. There are large variations in the design of these schemes in terms of net and gross wage replacement rates, a minimum and a maximum ceiling and duration, as well as restrictions to certain sectors and certain groups of workers.

In some countries, employers and workers have to share part of the burden in terms of additional wage compensation or using overtime and time accounts and 'old' holidays, or Short-Time Work (STW) is only available for a partial reduction in working hours. In a few countries, employers are not permitted to dismiss staff while participating in STW schemes, or they are obliged to maintain workers in employment for a definite period after the STW scheme has finished. Employers and workers may find it more appropriate to use overtime and time accounts instead of STW schemes. All these factors together may explain why take-up has been different between countries.

Examples collected in this study indicate that in some countries more than a third of companies applied to be covered by the scheme, and between a quarter and a third of dependent workers may also be covered (although in some countries these shares may be less than 10% of workers). Exact take-up is not known in a number of countries, as in most cases STW is used as a very flexible system and the exact number of 'hours not worked' is only known at the end of the month. According to a recent study by the ETUI (European Trade Union Institute), claims might have been submitted for 50 million workers at the end of April (Muller and Schulte, 2020), although the eventual numbers may be much smaller (perhaps half this figure), and even fewer if converting reduced working hours into full-time equivalents. Nevertheless, the numbers can be expected to be high. While in some cases, where STW schemes are paid through unemployment insurance, their financial reserves may not be high enough to cover the full amount of expected payments over the course in 2020 (e.g. in Germany), in other cases the schemes are financed through the social security funds, special funds and government budgets.

The EU Commission is responding with the Corona Response Investment Initiative (CRII) and a new instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE). Another new recovery instrument called Next Generation EU (€750 billion) announced on 27 May 2020, together with targeted reinforcements to the long-term EU budget for 2021-2027, will bring the total financial power of the EU budget to €1.85 trillion. These major investments should ensure that recovery is sustainable, inclusive and fair for all Member States. The impact of STW on the prevention of unemployment is not yet predictable, however, as the speed of the economic recovery is uncertain. The sectors that are likely to suffer for a long period of time and the extent of structural change in national economies are both unclear at the time of writing. There is a danger that many workers will flow out from STW schemes into unemployment in a number of countries.

Some countries, mostly Southern European countries, have increased the generosity of their unemployment benefit and STW schemes to better protect workers with low earnings and atypical employment. This will be challenging for PES as they may have to deal with new types of clients (e.g. the self-employed) and they may strengthen their strategies towards providing integrated social and employment services in particular for minimum

income recipients. Integrating vulnerable groups into the labour market will be most challenging for PES and will require adequate staff and financial resources. The treatment of STW claims may continue to absorb staff capacities for a while, as they will have to control the correctness of the claims.

'Conditionality' rules were often suspended during the crisis but they will need to be implemented again. Also, it will be necessary to make sure labour mobility is promoted, despite STW schemes being in place.

PES will need to prepare to support the unemployed through helping get them back to work if unemployment increases. As it can be expected that this crisis, like other crises in the past, will reinforce restructuring in companies and the economy, it will be important that PES prepare to adapt workers in terms of the skills they will need. Depending on the time and the severity of Covid-19-related health and safety requirements, new training formats will be needed.

For most PES, the organisational changes were working from home (even though with different intensities) and the digitalisation of services. It can be expected that the Covid-19 crisis will have a long-lasting effect on the digitalisation of processes and services, in particular for those PES that were lagging behind. This, however, does not mean that everything will be digitalised, as it also became clear that some face-to-face contacts cannot be substituted. PES will need to find a new balance between providing services and face-to-face services, by targeting specific services and increasing overall efficiency. It is also quite likely that teleworking in the PES will increase in the post-Covid-19 era. One area of action for PES could be to support companies through making use of teleworking to promote transition to a green economy.

Lessons learned from PES crisis management also show that the social partnership approach, and partnerships with relevant actors on the ground, have helped to speed up reforms and introduce new measures. Also, the exchange of information through the PES Network, in a series of webinars that allowed for the exchange of experience, were most valuable. Continuing intensive exchanges between PES that help them take advantage of mutual learning is recommended.

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## Annexes

**Table A1.** New or changed rules in Short-time Work Schemes, adapted for Covid-19

Country	New or changed rules
<b>AT</b>	Access eased
<b>BE</b>	'Corona procedure' (access for Covid-19 reasons), automatised and faster, increased benefits (previously 60% of wages).
<b>BG</b>	No information
<b>CY</b>	Introduction of scheme for small enterprises > 5 employees; schemes for specific sectors.
<b>CZ</b>	Changes introduced
<b>DE</b>	More generous eligibility rules (10% instead of 30% of affected workers in the company; increased benefit for long-term STW allowance recipients; increased coverage of temporary work agencies (TWA).
<b>DK</b>	Maximum compensation increased
<b>EE</b>	Special measures newly introduced
<b>EL</b>	Possibility of suspending 50% of working hours where agreed between employer and employment agency.
<b>ES</b>	Coverage of ERTE (partial unemployment scheme) has been changed to include people without qualifying unemployment insurance contribution period, temporary workers coming to the end of their contract and the self-employed. Access to ERTE eased as a result of Covid-19 (regarded as a 'force majeure'; additional ERTE payments for other reasons are still active).
<b>FI</b>	No STW as such (no suspension of work contracts), but specific rules and compensation for temporary lay-offs.
<b>FR</b>	Existing scheme revised, minimum and maximum ceilings, extended length.
<b>HR</b>	Specific regulations introduced for sectors most at risk: transport, accommodation, export-oriented manufacturing, duration extended for seasonal workers.
<b>HU</b>	Companies may introduce STW as decided in April
<b>IE</b>	Short Time Work Support is a form of Jobseeker's Benefit
<b>IS</b>	New measure
<b>IT</b>	Previous schemes such as the Ordinary Wage Guarantee Scheme (Cigo) and the Ordinary allowance paid by the Wages Integration Fund (Fis) or sector solidarity funds now have broader coverage (e.g. including workers hired for less than three months before the application; and by firms with lower levels of social contributions). Another scheme, the Ordinary Wage Guarantee in Derogation (Cigd) was introduced for all other companies (e.g. micro-firms with less than five employees).
<b>LT</b>	No information about changes
<b>LUX</b>	No information about changes
<b>LV</b>	No information about changes
<b>MT</b>	No developed STW scheme. New measures introduced.
<b>NL</b>	Previous scheme was removed, new more generous scheme called NOW (temporary arrangement for allowance of labour cost) introduced on 6 April.
<b>NO</b>	Usually no STW scheme. Part-time unemployment benefits available.

Country	New or changed rules
<b>PL</b>	Support for the employee's remuneration costs and employee's social security contributions depending on changes in turnover in a company <sup>70</sup> ; the support applies to micro, small and medium-sized enterprises for a period not longer than 3 months.
<b>RO</b>	New special measures
<b>SE</b>	Short-term lay-offs: the employers' salary costs can be reduced by half, compensated by the government by more than half. The construction is similar to short-term work, but the subsidy level is increased substantially. Introduced 7 April but applies retroactively from 16 March.
<b>SI</b>	New measures
<b>SK</b>	Newly-designed measures

Source: survey among PES

**Table A2.** Ceiling for wage compensation in Short-Time Work schemes since March 2020

Country	Max ceiling in €	Median gross monthly earnings in €	Ceiling/median gross monthly earnings
<b>Austria</b>	5,370	2,240	240%
<b>Croatia</b>	505	No info	-
<b>Netherlands (*)</b>	9,538	2,560	373%
<b>Sweden</b>	4,178	2,960	141%
<b>Cyprus</b>	1,214	1,344	90%
<b>Lithuania</b>	607	496	122%
<b>Italy</b>	1,200	2,000	60%
<b>Czech Republic</b>	1,430	736	-
<b>Slovakia</b>	1,100	704	156%
<b>Romania</b>	1,121	320	350%
<b>Ireland</b>	1,640	3,232	51%
<b>Spain</b>	1,089	1,568	69%
<b>Belgium</b>	No info	2,768	
<b>France</b>	6,844	2,384	287%
<b>Estonia</b>	1,000	784	128%
<b>Germany</b>	2,590	2,512	103%
<b>Denmark</b>	4026	4,080	99%
<b>Portugal</b>	2,100	816	257%
<b>Hungary</b>	No info	576	-
<b>Bulgaria</b>	1,500	272	551%
<b>Iceland</b>	4,478	No info	-
<b>Poland (*)</b>	Between 263 and 470	688	Between 38% and 68%

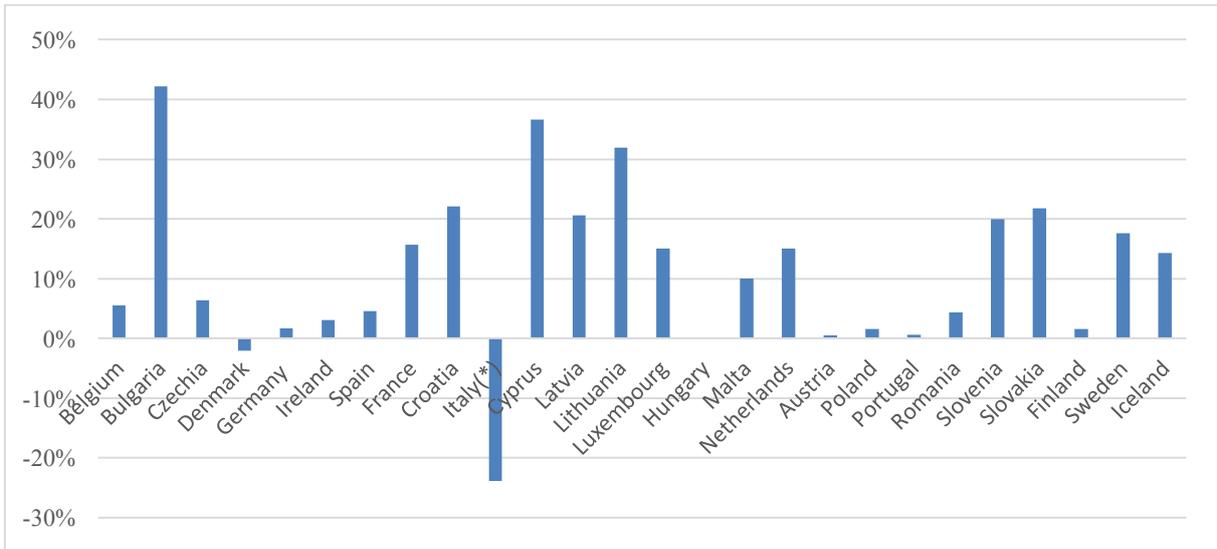
<sup>70</sup> Where turnover has decreased by more than 30%, then there is co-financing up to 50% of the employee's remuneration with social security contributions, but not more than 50% of the minimum remuneration. If it is over 50%, then the co-financing will be up to 70% of remuneration together with social security contributions, but not more than 70% of the minimum remuneration. If it is over 80% then co-financing will be up to 90% of employee's remuneration together with social security contributions, but not more than 90% of their minimum remuneration.

Notes: in some countries, among them Italy, Spain and Germany, the ceiling to STW subsidies depends on various parameters (e.g. family status). Table A2 reports the highest possible ceiling. Median gross hourly earnings are not available for Croatia and Iceland and no information is available for the ceiling in Hungary.

(\*) These countries do not run an STW scheme as such, but they have introduced a scheme for maintaining employment contracts, based on a company's reduced revenues (NL) or turnover (PL), instead of reduced hours.

Source: survey sent to PES, which includes gross median wages [https://ec.europa.eu/eurostat/statistics-explained/images/8/81/Low\\_wage\\_earners\\_new.jpg](https://ec.europa.eu/eurostat/statistics-explained/images/8/81/Low_wage_earners_new.jpg); KPMG (2020) for Bulgaria and Romania

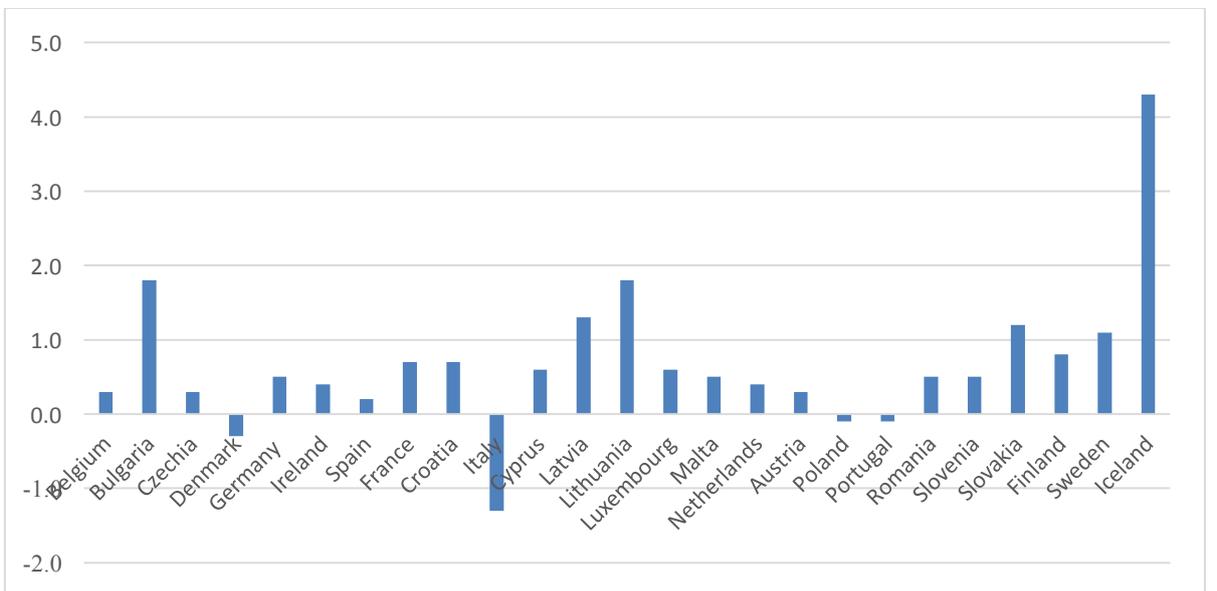
**Figure A1. Panel A** Change in number of unemployed (ILO definition, seasonally not adjusted) between March and April 2020, in percentage



(\*) One reason for the decrease in unemployment may be the rise of inactivity.

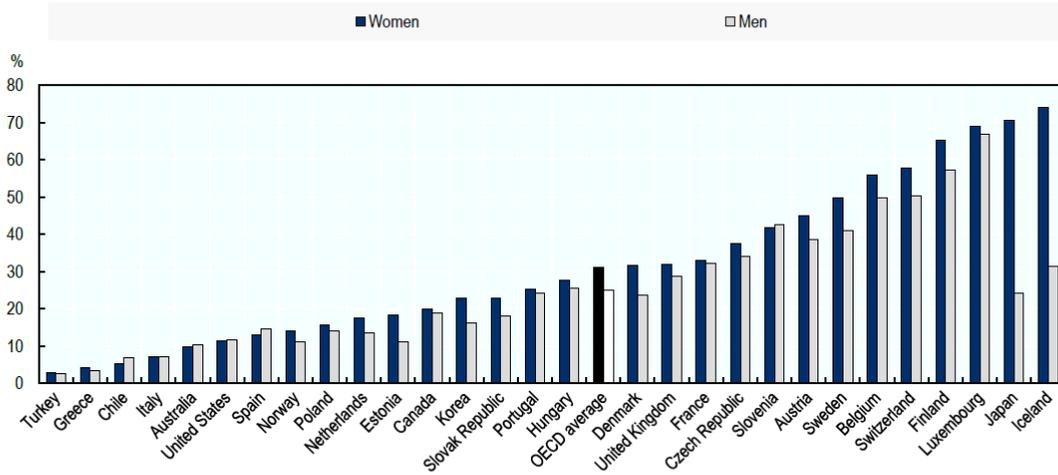
Source: Eurostat, Labour Force Survey, latest update from 25 June 2020, no updated information for countries not shown.

**Figure A1. Panel B** Change in unemployment rate (ILO definition, seasonally not adjusted) between March and April 2020, in percentage points



**Figure A2.** Effective unemployment insurance by gender, 2015

Effective unemployment insurance, by sex, OECD countries, 2015

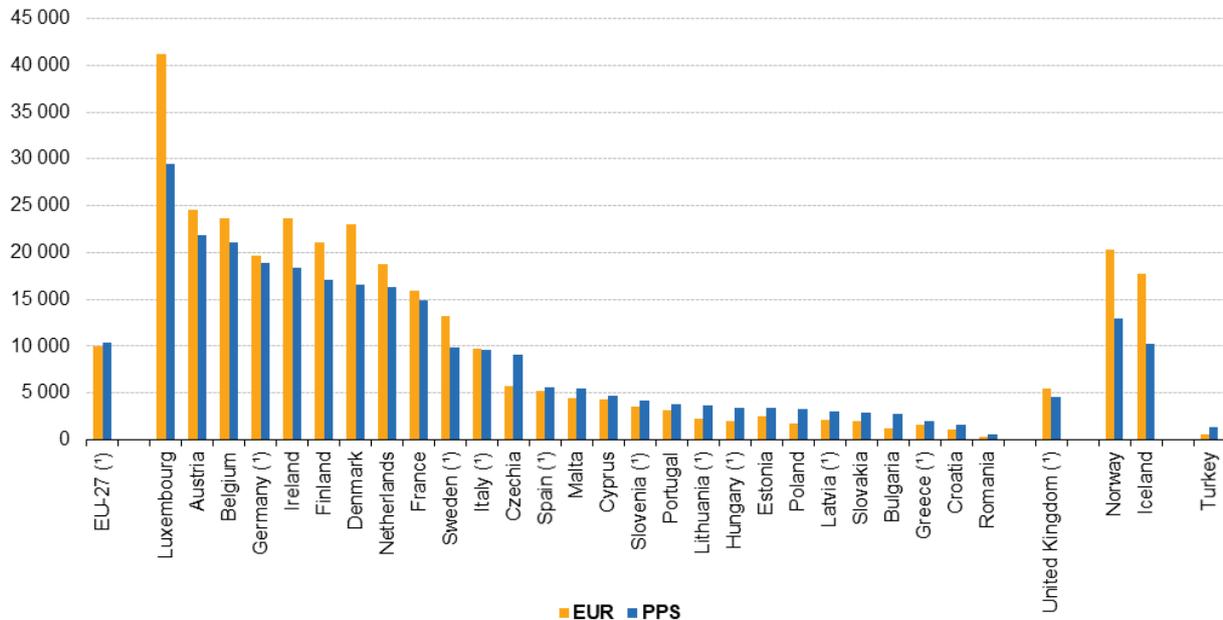


Note: Effective unemployment insurance is defined as the coverage rate of unemployment insurance (UI) times its average net replacement rate among UI recipients plus the coverage rate of unemployment assistance (UA) times its net average replacement rate among UA recipients. The average replacement rates for recipients of UI and UA take account of family benefits, social assistance and housing benefits.  
 Source: OECD Job Quality Database, <https://www.oecd.org/statistics/job-quality.htm>.

Source: OECD 2020c

**Figure A3.** Average expenditure on unemployment-related benefits, 2017 per unemployed person, in euros

**Average expenditure on unemployment-related benefits, 2017**  
 (EUR and PPS per unemployed person)

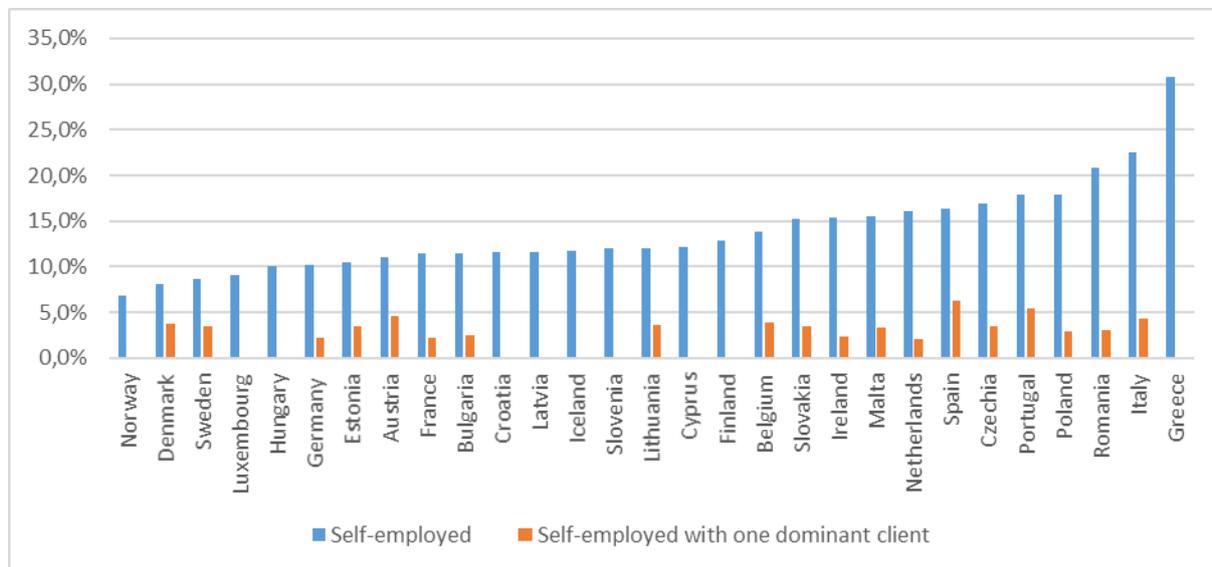


Note: expenditure per unemployed person is derived using the annual average number of persons unemployed (according to ILO definitions). PPS data are based on average EU-27 price levels.  
 (\*) Provisional.  
 Source: Eurostat (online data codes: spr\_exp\_sum and une\_rt\_a)



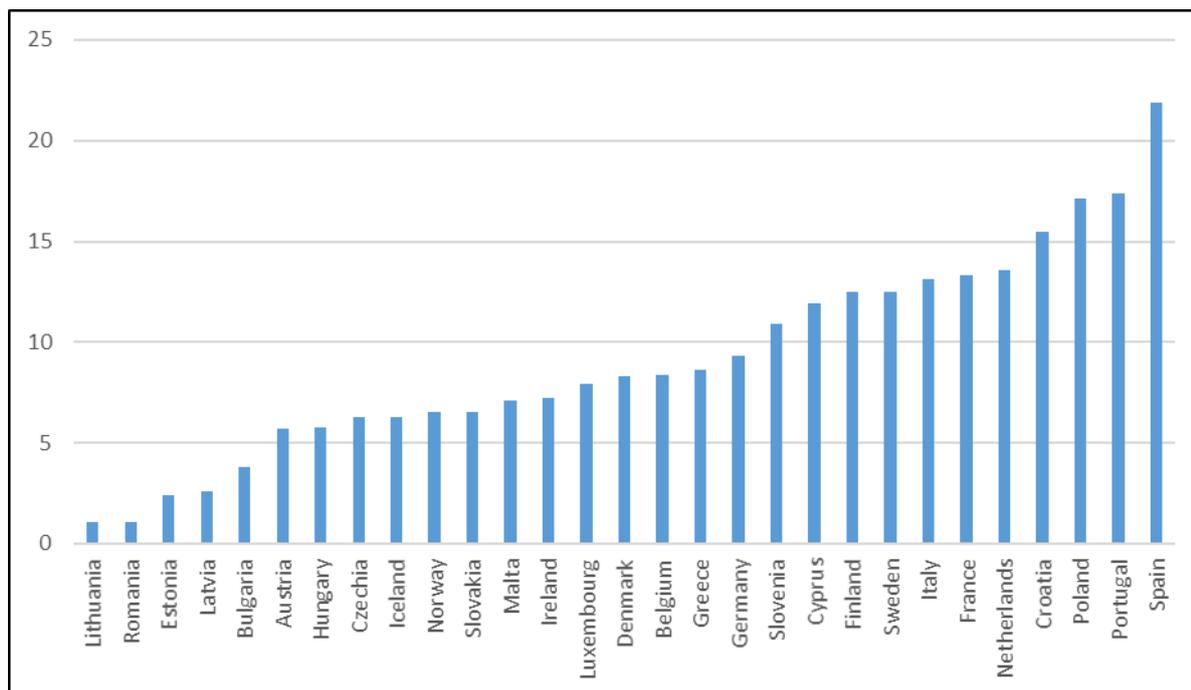
Source: [https://ec.europa.eu/eurostat/statistics-explained/images/9/9b/Average\\_expenditure\\_on\\_unemployment-related\\_benefits%2C\\_2017\\_%28EUR\\_and\\_PPS\\_per\\_unemployed\\_person%29\\_FP20.png](https://ec.europa.eu/eurostat/statistics-explained/images/9/9b/Average_expenditure_on_unemployment-related_benefits%2C_2017_%28EUR_and_PPS_per_unemployed_person%29_FP20.png)

**Figure A4.** Self-employed, and self-employed with only one or with one dominant client, as a percentage of all employed, 2017



Source: Eurostat Labour Force Survey (self-employed persons by number and importance of clients in the last 12 months and sex [lfso\_17seclnt]).

**Figure A5.** Temporary employees as a percentage of the total number of employees in 2019



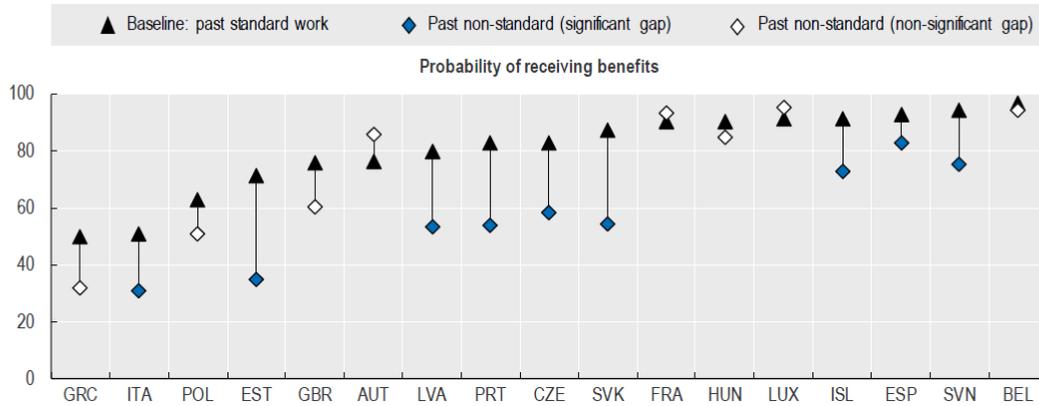
Source:

<https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tesem110&plugin=1>

Notes: a job may be considered temporary if the employer and the employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration). Typical cases are: (a) persons with seasonal employment; (b) persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); (c) persons with specific training contracts. The indicator is based on the EU Labour Force Survey.

**Figure A6.** Income support for working-age individuals comparing previous standard work experience with previous non-standard work experience, in selected EU countries

Overall support package for working-age individuals, 2014-15



Note: Predicted benefit receipt during an entire year comparing: i) an able-bodied working-age adult who is out of work, had uninterrupted full-time dependent employment with median earnings in the preceding two years, and lives in a two-adult low-income household without children (“baseline: past-standard work”, triangle-shaped markers); and ii) an otherwise similar individual whose past work history is “non-standard”: mostly in part-time work, mostly self-employed, or interrupted work patterns during the two years preceding the reference year (“past non-standard”, light and dark diamond-shaped markers). Additional results for different categories of non-standard work are available for some countries.

Statistical significance refers to the gaps between baseline and comparator cases (90% confidence interval). Full-time students and retirees are excluded from the sample. Details on data and model specification are summarized in Box 7.3 and presented in further detail in Fernández, Immervoll and Pacifico (2020<sup>[12]</sup>). The data source, the European Union Statistics on Income and Living Conditions (EU-SILC) covers additional countries but they are excluded here because effective sample sizes were small (e.g. Ireland, Lithuania), because the required micro-data were entirely unavailable (Germany), because key employment-status variables are recorded only for one individual per household (Denmark, Finland, the Netherlands and Sweden), or because of partial or partly conflicting information on income or benefit receipt (Norway).

Source: (OECD, 2019<sup>[13]</sup>)

Source: OECD 2020a; GRC=Greece. ITA = Italy, POL=Poland, EST = Estonia, GBR = UK, AUT = Austria, LVA = Latvia, PRT = Portugal, CZE = Czech Republic, SVK = Slovakia, FRA = France, HUN = Hungary, LUX = Luxembourg, ISL = Iceland, ESP = Spain, SVN = Slovenia, BEL = Belgium.

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