*Proposal for a*

**COUNCIL RECOMMENDATION ON THE INTEGRATION**

**OF THE LONG-TERM UNEMPLOYED INTO THE LABOUR MARKET**

**EAPN Internal Briefing**

On September 15th, 2015, the European Commission unveiled its proposal for a Council Recommendation on the Integration of the Long-Term Unemployed into the Labour Market. While it carries political weight, a Recommendation is not binding upon Member States. However, it is a stronger instrument than a Communication.

**EAPN REACTION**

***Positive Elements***

EAPN considers this initiative very useful and timely, and welcomes the **focus on individualised, pathways approaches** towards social participation and labour market integration, through

-  **stepped-up registration** of the unemployed to ensure better coverage,

* **personalised approaches and tailor-made inclusion plans**,
* the introduction of a **single point of contact for integrated services**
* **development of a job integration agreement with rights/responsibilities**, and
* **better involvement of employers**.

***Missed Opportunities***

- **Missing references to adequate income support**, while recognition is given that over 75% of the long-term unemployed are no longer covered by unemployment benefits. This approach undermines the holistic implementation of integrated Active Inclusion strategies, as it only features two of the three pillars – access to services and inclusive labour markets.

- **No safeguards against negative activation and conditionality**, while this approach seems rather to be reinforced, through explicit mentioning of linking benefits to activation, and through the enforcement of a ‘mutual responsibilities’ approach, and possible conditionality in the job integration agreement.

- **Lacking mentions of quality of work and employment**, despite the recognition that only half of those who find a job manage to escape poverty.

- **No explicit role and involvement for civil society organisations** in the design, delivery, and evaluation of the proposed initiatives.

You can find more information below about the [Context and Background](#Context) of this initiative, EAPN’s [Position on the Content](#Proposal) of the proposed Recommendation and accompanying documents, suggested [Next Steps](#Next) for lobbying, as well as a section of [Useful Links](#Useful).

**Context and Background**

The Recommendation builds on a public consultation, launched by the European Commission in April 2015, in order to gauge stakeholders’ views regarding the best way to provide comprehensive, holistic support to the long-term unemployed, to better meet their needs. You can consult EAPN’s response to the consultation [here](http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2015-EAPN-response-to-EC-Consultation-on-Long-Term-Unemployment.pdf).

A previous contribution by EAPN on this topic, in the framework of an event of the European Commission’s Mutual Learning Programme for Employment, can be accessed [here](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0CCIQFjABahUKEwj7u9CmrojIAhVIwBQKHX-MAOc&url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FBlobServlet%3FdocId%3D10834%26langId%3Den&usg=AFQjCNHpFqjtC1T2-QRpxFKz_19bhshcdQ&sig2=FRp0jbBzNxfSdJKF5j4Unw&bvm=bv.103073922,d.d24).

Long-term unemployment is defined by [Eurostat](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Long-term_unemployment) as the number of people who are out of work and have been actively seeking employment for at least a year. As a direct result of the recession and subsequent austerity policies, the rate of the long term unemployed in the EU-28 has doubled in recent years, from 2.6 in 2008 to 5.1 in 2014 (ranging from 1.5% in Austria to 19.5% in Greece - [Eurostat figures](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc330&plugin=1)). This corresponds to over 12 million people, and about half of the total number of unemployed.

The Juncker Commission has pledged to strengthen job creation, economic recovery and social fairness in Europe, and this initiative is set against this backdrop. The stated purpose is to improve the services offered to the long-term unemployed, with a view to swiftly and more effectively bringing them back into the labour market.

Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: "*Long-term unemployment […] exposes an increasing part of our population to the risk of poverty and social exclusion. We must act to bring them back to work. We cannot settle for an economic recovery that leaves so many Europeans behind. I am confident that today's proposal will make a difference for them with the full support of Member States, social partners and employers."*

Since 2014, the European Commission has identified the long-term unemployed as priority in the Country-Specific Recommendations. In EAPN’s own assessment of the 2015 National Reform Programmes, the long-term unemployed were prioritised (or at least mentioned as a key group) in FI, FR, DE, IE, PT, ES. However, a number of EAPN networks also remark that the group is either not mentioned in their country’s NRP, or the proposed measures are insufficient and/or inefficient.

In an effort to better understand the situation in the Member States, the European Commission tasked the European Social Policy Network[[1]](#footnote-1) with the production of thematic [country reports and synthesis report](http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=ESPNLTU&mode=advancedSubmit&langId=en&search.x=0&search.y=0), looking a national policies to provide integrated support for the long-term unemployed. The Commission equally produced [fact sheets](http://ec.europa.eu/social/keyDocuments.jsp?pager.offset=0&langId=en&mode=advancedSubmit&advSearchKey=LTUfactsheet) on long-term unemployment for all Member States, and for the EU as a whole.

**Proposal for Recommendation – Content and EAPN Position**

Please find below a brief comparative analysis of the main points contained in the Commission Recommendation (positive, negative, missing).

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| **EAPN position** | **Commission proposal for a Recommendation** |
| A life free from poverty, as well as broader social inclusion and social participation is the ultimate objective, and quality employment is just one element. | While impact on poverty and social exclusion, as well as on erosion of skills and self-confidence, is explicitly mentioned, as well as links to income support and services, the approach is still rather narrowly employment-focussed. |
| What are needed are pathway approaches, featuring personalised, tailored interventions, case by case management, with full ownership and involvement of the beneficiary. | Personalised approaches are the key feature of the proposal, yet ownership and involvement of the beneficiary are not mentioned. |
| Personalised, pathway approaches starting from each individual’s needs should be the norm for all unemployed, from the beginning. | While it is understandable that this particular initiative focuses on the needs of the long-term unemployed, emphasising personalised approaches just for them may be detrimental to activation policies targeted at those unemployed for less than a year. |
| Adequate income support, including through appropriate access to social protection, is a cornerstone of any inclusion plan. | The proposal makes only passive references to income support, the main focus being on service delivery, although it does highlight the problem of reduced coverage of unemployment benefit. The existing references relate rather to their linking to participation to active labour market measures. |
| A number of services going beyond labour market are needed. | The proposal explicitly highlights the need to provide a holistic package of services, including job search assistance, validation of non-formal and informal learning, rehabilitation, counselling and guidance, education and training, work experience and social support services such as early childhood education and care, health and long-term care services, debt counselling, housing and transport support. |
| **EAPN position** | **Commission proposal for a Recommendation** |
| Integration of service provision is important, and one-stop-shops could be a good idea, but the essential features are the quality, availability, and accessibility of services provided and ensuring that the integration benefits the beneficiary, not just the administration. | One-stop-shops and service integration are another key feature of the proposal, but not enough is said about ensuring the quality of the services provided. |
| Education and training are important, but not only from the labour market perspective. | While other services are mentioned (see above), there is still a heavy emphasis on training and upskilling for employment. |
| Activation practices in recent years have been characterised by tightened eligibility and conditionality, as well as sanctions – which is damaging and does not contribute to ensuring people’s socio-professional inclusion. Integrating income support with activation services could increase this. | The proposal speaks about mutual responsibilities and enforcing conditionalities, such as linking the receipt of benefits with participation in active labour market policies and acceptance of a ‘suitable job’ – which can potentially open the door to very harmful negative activation practices. |
| Public Employment Services have suffered from funding cuts, which has resulted in centres closing down and understaffing. Equally, staff would need specific training in anti-discrimination, case management etc. | Nothing is mentioned about increasing funding or staff to PES, and nothing is said about their training. |
| Involving employers is crucial, through financial incentives, but also anti-discrimination training, support for adapting working environments and conditions, as well as follow-up support and advice. | The proposal puts a lot of emphasis on financial incentives, and mentions dedicated services (screening of job vacancies, workplace mentoring and training and post-placement support, without mentioning how sustainability will be achieved. |
| Active Inclusion integrated approaches – combining adequate income support, access to quality, affordable services, and inclusive labour markets – are more than one-stop shops, and must be designed to benefit the user. | An emphasis is placed on one-stop-shop, from an administrative, delivery perspective, as bringing together the three Active Inclusion strands, to increase motivation for activation but without looking at the broader picture of providing integrated policies and strategies that are aimed at meaningful inclusion beyond simplifying delivery and for the benefit of the user. |
| Additional funding should be made available to support these measures. | The document mentions making effective use of existing funding instruments, such as the European Social Fund (ESF), the European Regional Development Fund (ERDF) and the European Agricultural Fund for Rural Development, but no additional funding. |

Missing elements

* **No references to adequate income support**, while recognition is given that over 75% of the long-term unemployed are no longer covered by unemployment benefits. This approach undermines the holistic implementation of integrated Active Inclusion strategies, as it only features two of the three pillars – access to services and inclusive labour markets.
* **No safeguards against negative activation and conditionality**, while this approach seems rather to be reinforced, through explicit mentioning of linking benefits to activation, and through the enforcement of a ‘mutual responsibilities’ approach, and possible conditionality in the job integration agreement.
* **Lacking mentions of quality of work and employment**, including making work pay in a positive way (ie, decent income through wages), despite the recognition that only “half of those finding a job escape the risk of poverty”. There is only one mention in the proposal about checking the sustainability of the job placement offered.
* **No safeguards against negative activation and conditionality**, while this approach seems rather to be reinforced, through explicit mentioning of linking benefits to activation, and through the enforcement of a ‘mutual responsibilities’ approach, and possible conditionality in the job integration agreement.
* **No mention on** **job creation**. While the proposal targets both the unemployed, as well as employers, nothing is said about where would the jobs are supposed to come from, or how employers will be persuaded to take on people who are most vulnerable and excluded from the labour market.
* **No explicit reference to qualitative indicators**, that look at more than the sheer number of long term unemployed reintegrated into the labour market - while some evaluation mechanisms are specified (the development by the Employment Committee of indicators, assessment of the Public Employment Services performance and exchange of good practices, use of funding etc).
* **Lack of a broader take on services**, such as access to early childhood education and care, housing, energy etc, which can provide a stable foundation to look for work.
* **No explicit role and involvement for civil society organisations** in the design, delivery, and evaluation of the proposed initiatives, and no role given to NGOs and social enterprises, as employers, but also as key stakeholders.

**Accompanying Documents to the proposal for Recommendation**

The Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market is accompanied by an Explanatory Memorandum, as well as by a separate Staff Working Document. For clarity, each of them is analysed separately below.

***Explanatory Memorandum***

The document begins by setting the context of the proposal, which is rising unemployment, especially long-term one, as people who have been out of work for a long time subsequently become furthest from the labour market, and hardest to reach. Risks of social exclusion and poverty, including child poverty, are explicitly highlighted. The text explains that this initiative is in full agreement with and complements other policy measures, specifically in the framework of Europe 2020 and the European Semester, including Country Specific Recommendations.

The long-term unemployment proposal will build on lessons learned from the implementation of the Youth Guarantee, and on the already established cooperation and exchange of good practices within the Public Employment Services Network. The document also clarifies the legal basis for the Recommendation, how the proportionality and subsidiarity principles have been observed, and what are the budgetary implications.

The Memorandum also briefly presents the consolidated results of the public consultation, as well as of the detailed impact assessment conducted by the European Commission (which is detailed in the Staff Working Document). Both highlighted the need to provide integrated services (including, or especially, through on-stop-shops), as well as providing the unemployed with a personalised offer and integration plan, tailored to their individual needs. Adequately and actively involving employers was also a key finding.

In a nutshell, the Recommendation includes the following elements:

* Encourage **registration with an employment service**
* **Individual assessment** and approach
* Signing a **tailor-made job integration agreement**
* Additional **support to employers** (services, incentives)

***Accompanying Staff Working Document***

The document begins by reviewing long-term unemployment trends in the European Union. The challenges identified are: limited job creation; lack of responsiveness of labour market (wages not in line with productivity, rigid employment rights, too generous or too extended benefits, low skills) and insufficient support to the long-term unemployed through active labour market services. The proposal for Recommendation would only focus on the last challenge.

The text proceeds to identify and discuss the main issues connected to the third challenge (insufficient or inadequate support), and lists:

* low coverage of activation support (low registration with Public Employment Services, limited participation in active labour market measures, and poorly enforced conditionality
* discontinuity in service delivery (limited coordination between authorities and service providers, blurred responsibilities between state agents)
* activation design (argues for the need of personalised approaches, as the long-term unemployed are a heterogeneous group, services are not tailored to individual needs, and employers are insufficiently involved).

The document explains how the present initiative aims at tackling the above mentioned issues, and describes the job integration agreements, the personalised approach, and the individual point of contact – to be provided to the long-term unemployed after 18 months of unemployment. It states that the initiative will be fully integrated into the Europe 2020 and European Semester processes. It also details how the ESF, and particularly ex-ante conditionalities, can be used to finance activities and measures, and shows lessons learned from the implementation of Youth Guarantee, and how the Public Employment Services Network can better cooperate, exchange and learn to meaningfully implement the proposal.

The effectiveness of the envisaged measures is also discussed, with concrete examples from Member States already implemented some or all of the proposals, to different extents. However, the estimation still seems to be made from a numerical perspective, with few qualitative considerations about wellbeing. One encouraging indicator refers to transition to full time / permanent employment contracts.

Financing of measures is mentioned, with the document cautiously concluding that it is difficult to make estimates for very different national settings, that there are indeed costs associated with setting up the system and depending on the specifics of the personalised offer provided, but that these should be offset in the long run by having more long-term unemployed successfully integrated into the labour market. It is also mentioned that the return on investment is heavily dependent on complementary job creation initiatives.

A whole section is dedicated to stakeholders’ consultation and expertise used, but it only mentions institutional actors (Labour Market Observatory, European Economic and Social Committee, European Social Fund Committee, European Network of Public Employment Services, Employment Committee, Social Protection Committee) and the social partners. The public consultation or contributions by civil society organisations or other actors is not mentioned.

The Staff Working Document includes two Annexes, the first being a Glossary of terms used. The second Annex includes a useful comprehensive analysis of supporting data, looking at specific characteristics of the long-term unemployed, how transitions are supported and how they can be improved, current support available to the long-term unemployed (including income support, coverage of activation measures, Public Employment Services staffing and resources, and types of activation plans provided).

**Next Steps**

This Briefing will be distributed to EAPN members (EU ISG, EXCO, EOs) and discussed at the October 2015 meeting of the EU ISG. Next steps will be decided on this occasion. Function of the result of this discussion, the EAPN Secretariat might prepare a response to the proposal.

* **Members are asked to** read the Briefing and, if possible, the proposal for Recommendation and come prepared for the discussion at the EU ISG. If it is decided to produce a response, members’ input on the draft document through email will be expected.

Once a proposal is put forward by the European Commission, a member of the relevant committee in the European Parliament (in this case, the Employment and Social Affairs Committee) will be appointed to produce a report on the proposal. The Secretariat will monitor this, to identify who is the rapoporteur, and work together with the MEP in question to amend the proposal, according to EAPN’s position.

* **Members might be asked** **to** translate a lobbying letter, upon a template provided by the Secretariat, and send it to their Members of the European Parliament in the eve of the committee vote, indicating which amendments EAPN supports or not.

Once a proposal is adopted by the European Parliament, first in committee, and then in its plenary, it will be discussed in the relevant Council formation (in this case, the EPSCO). The Secretariat will monitor when the proposal will be discussed and could send a lobbying letter in advance of the Council meeting, outlining our position.

* **Members might be asked to** translate the lobbying later, upon a template provided by the Secretariat, and send it to their respective Minister, in the eve of the Council meeting.

In parallel with these activities, the Secretariat will lobby the Employment Committee and the Social Protection Committee, to make sure that the EAPN position is known and reflected. The Secretariat will also monitor to what extent the positive provisions of the initiative are taken up in documents pertaining to the European Semester cycle, such as the Annual Growth Survey and the Joint Employment Report, as well as in the Country Reports, National Reform Programmes and Country Specific Recommendations in 2016.

* **Members are asked** to feed into these activities on an ongoing basis.

In addition to the above, EAPN will integrate appropriate references to this initiative in its upcoming position paper on inclusive Labour Markets, scheduled to be produced before the end of 2015. Equally, EAPN will use social media, participation in events, meetings with decision-makers, partners, and stakeholders, as well as other opportunities to put forward its views on this proposed Recommendation.

* **Members are asked** to feed into these activities on an ongoing basis, and to integrate them, as appropriate, into their work at the national level.

**Useful Links**

* [Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market](http://ec.europa.eu/social/BlobServlet?docId=14480&langId=en)
* [Commission Staff Working Document - Analytical Supporting Document](http://ec.europa.eu/social/BlobServlet?docId=14481&langId=en)
* [Infographic - Commission proposal on long-term unemployed](http://ec.europa.eu/social/BlobServlet?docId=14442&langId=en)
* [Infographic - Impacts of the Commission proposal on long-term unemployed](http://ec.europa.eu/social/BlobServlet?docId=14443&langId=en)
* [Press release](http://europa.eu/rapid/press-release_IP-15-5565_en.htm)
* [Message by Marianne Thyssen on Long-Term Unemployment](http://ec.europa.eu/social/main.jsp?catId=669&langId=en&videosId=2675&vl=en&furtherVideos=yes)
* [Long-term unemployment: country factsheets](http://ec.europa.eu/social/keyDocuments.jsp?pager.offset=0&langId=en&mode=advancedSubmit&advSearchKey=LTUfactsheet)
* [ESPN Thematic reports on long-term unemployment](http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=ESPNLTU&mode=advancedSubmit&langId=en&search.x=0&search.y=0)

**EAPN links**

* [EAPN response to the Long-Term Unemployment public consultation (May 2015)](http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2015-EAPN-response-to-EC-Consultation-on-Long-Term-Unemployment.pdf)
* [EAPN contribution to the Mutual Learning Programme thematic seminar on Tackling Long-Term Unemployment (November 2012)](file:///C:\Users\Amana\Downloads\ec.europa.eu\social\BlobServlet%3fdocId=10834&langId=en)
* [EAPN Active Inclusion booklet](http://www.eapn.eu/images/stories/docs/eapn-books/2011-active-inclusion-booklet-en-web.pdf)

**For more information about this initiative and EAPN’s work on it,**

**please contact Amana Ferro (**[**amana.ferro@eapn.eu**](mailto:amana.ferro@eapn.eu)**) in the EAPN Secretariat.**

1. The European Social Policy Network (ESPN) was established in 2014 to provide the Commission with independent information, analysis and expertise on social policies. In particular, the ESPN supports the Commission in monitoring progress towards the EU social protection and social inclusion objectives set out in the Europe 2020 Strategy, includinglifting at least 20 million people out of poverty and social exclusion, and in the European Semester. It includes the [European Network of Independent Experts on Social Inclusion](http://ec.europa.eu/social/main.jsp?catId=1025&langId=en). [↑](#footnote-ref-1)