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Subject:	Proposal for a COUNCIL RECOMMENDATION on the integration of the long-term unemployed into the labour market - Political agreement

The above-mentioned proposal was examined and approved by the Permanent Representatives Committee on 25 November 2015.

The Permanent Representatives Committee invites the EPSCO Council on 7 December 2015 to reach a political agreement on the attached text.

Subject to such an agreement, and following legal-linguistic finalisation, the proposal will then be submitted for adoption as an "A" item at a forthcoming Council.

Proposal for a

COUNCIL RECOMMENDATION
on the integration of the long-term unemployed into the labour market

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292, in conjunction with Article 148(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) At EU level, the unemployment rate increased to a historically high level following the 2008-09 financial and economic crisis. It is currently on a declining path but long-term unemployment remains very high. Long-term unemployment affects Member States to a different extent, notably as the impact of the crisis has been uneven and countries differ in term of macroeconomic situation as well as economic structure and labour market functioning.
- (2) After years of subdued growth and low job creation, long-term unemployment, defined as unemployment lasting for at least a year, affected in 2014 more than 12 million workers, or 5% of the active EU population, 62% of whom have been jobless for at least two consecutive years.¹

¹ Long-term unemployment as defined by Eurostat refers to the number of people who are out of work and have been actively seeking employment for at least a year - see http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Long-term_unemployment

- (3) Long-term unemployment is affecting the persons concerned, lowering the potential growth of EU economies, increasing the risk of social exclusion, poverty and inequalities and adding to the costs of social services and public finances. Long-term unemployment leads to loss of income, skills erosion, higher incidence of health problems and increased household poverty.
- (4) Among the most vulnerable to long-term unemployment are people with low skills or qualifications, third-country nationals, persons with disabilities and disadvantaged minorities such as the Roma. The previous occupation also plays an important role, as in some countries the sectoral and cyclical aspects are key in explaining the persistence of long-term unemployment.
- (5) Every year, close to a fifth of the long-term unemployed become discouraged and fall to inactivity as a result of unsuccessful job search efforts. As barriers to labour market integration are diverse and often cumulate, labour market integration requires a tailor-made, individualised approach and coordinated service provision.
- (6) The long-term unemployed make up half of the total unemployed in the EU but account for less than a fifth of participants in active labour market measures. Correspondingly, a low proportion of the long-term unemployed (on average 24 %) are covered by unemployment benefits.

- (7) Investment in human capital should be improved and made more efficient with the aim of equipping more people with good and relevant skills and competences, addressing skill shortages, laying the foundation for a smooth transition from learning to work and for continued employability. Improving the performance and relevance of education and training systems will help curb the influx of new unemployed. To this end, the modernisation of education and training systems should be pursued in line with the European Semester, with the Strategic Framework for European Cooperation in Education and Training (ET 2020)², the recommendation of the European Parliament and of the Council on key competences for lifelong learning³.
- (8) With a view to developing a coordinated strategy for employment, the Guidelines for the employment policies of the Member States⁴ call for long-term and structural unemployment to be significantly reduced by means of comprehensive and mutually reinforcing strategies that include individualised active support for a return to the labour market.
- (9) While Member States remain competent to choose the labour market measures best suited to their individual situation, the guidelines call on Member States to promote employability by investing in human capital, through appropriate education and training systems, that they are effective and efficient to raise the skill level of the workforce. The guidelines further specifically call on Member States to encourage work-based learning systems such as dual learning and upgrade professional training. The guidelines more generally request Member States to take into account flexicurity principles and strengthen active labour market measures by increasing their effectiveness, targeting, outreach, coverage and interplay with income support and social service provision.

² Council Conclusions of 12 May 2009 on a Strategic Framework for European Cooperation in Education and Training (ET 2020).

³ Recommendation of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning.

⁴ COM(2015) 098

- (10) The actions proposed under this recommendation should be fully compatible with the country specific recommendations issued in the context of the European Semester and their implementation should take place in full compliance with the rules of the Stability and Growth Pact.
- (11) The active inclusion recommendation designed an integrated comprehensive strategy for the active inclusion of people excluded from the labour market combining adequate income support, inclusive labour markets and access to quality services. It aims at facilitating the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live with dignity.
- (12) The European Social Fund is the European Union's main financial instrument for tackling long-term unemployment. For the period 2014-2020, Member States have allocated substantial funding to support the integration of the long-term unemployed into the labour market. Other funds, like the European Regional Development Fund and the European Agricultural Fund for Rural Development, may also complement the measures financed by the European Social Fund in accordance with the allocations for the relevant investment priorities for 2014-2020, namely by supporting job creation, modernisation of public employment services and vocational education, training for skills and lifelong learning. In this framework, future relevant discussions should consider how to further strengthen the integration in the labour market of the long term unemployed.
- (13) The 2012 Council recommendation on the validation of non-formal and informal learning calls for action to offer individuals the opportunity to demonstrate what they have learned outside formal education and training.
- (14) The European Council of March 2013⁵ emphasised that addressing unemployment is the most important social challenge and that reducing long-term unemployment and ensuring full participation of older workers is crucial.

⁵ EUCO 23/13.

- (15) Long-term unemployment has been identified by the European Parliament as a major impediment to growth⁶.
- (16) Intensified labour market integration efforts for those most hard hit by long-term unemployment should be developed taking into account national practices. This should go hand in hand with improved registration with employment services and other competent agencies in order to tackle the lack of coverage of support measures. Countries with large numbers of registered long-term unemployed may prioritise in their efforts those who are already registered.
- (17) A preventive approach would be favourable in terms of efficiency and effectiveness. Prevention and activation measures mainly focusing on the start of the unemployment period should be strengthened and, where necessary, complemented. Specific action for the registered long-term unemployed should be taken at the very latest when they reach 18 months of unemployment as this is when support mechanisms and services for this particular group change in a large number of Member States.
- (18) Individualised approaches to support the long-term unemployed should address the barriers leading to persistent unemployment, updating and complementing the initial assessment made upon registration. This will guide the long-term unemployed towards support services sufficiently tailored to individual needs, such as debt counselling, rehabilitation, social support services, care services, migrant integration, housing and transport support, aimed at addressing barriers to work and empowering the long-term unemployed to reach clear goals leading to employment.
- (19) Employer involvement in the integration of the long-term unemployed is essential and should be supported through the provision of dedicated services by employment services accompanied by well-targeted financial incentives and the involvement of the social partners. A stronger employers' engagement, complemented by measures to reinforce job creation in the economy, may further increase the effectiveness of integration measures.

⁶ Report on European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2015(A8-0043/2015).

- (20) Recent policy initiatives such as the Youth Guarantee⁷ call for partnership working as a new method for delivery of social and employment policy. Coordinated service provision is crucial, particularly in Member States where responsibilities for supporting the long-term unemployed are divided between the public employment services, social welfare agencies and local government.
- (21) For the purposes of this recommendation, a job integration agreement is understood to be a written agreement between the registered long-term unemployed and single point of contact having the objective of facilitating the transition into employment on the labour market. Drafted to reflect the individual situation of the long-term unemployed, these agreements should detail a package of individualised measures available at national level (such as labour market, education, training, social support services) designed to support and empower the long-term unemployed in overcoming their specific obstacles to employment. They should define goals, timelines, the obligations of the long-term unemployed and the service provider's or service providers' offer, and should indicate available integration measures.
- (22) The actions proposed under this recommendation should take into account the diversity of the Member States and their different starting points, as regards the macro-economic situation, the level of long-term unemployment as well as its fluctuation rates, institutional set-up, regional differences and capacity of the various labour market players. They should complement and reinforce the policy approach currently implemented by many Member States, in particular by introducing flexible components such as the individualised approach, the employers' involvement and coordinated service provision.
- (23) This recommendation duly observes, reinforces and enhances fundamental rights, in particular as established by Article 29 and Article 34 of the Charter of Fundamental Rights of the European Union.

⁷ Council recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01).

HEREBY RECOMMENDS THAT MEMBER STATES:

Support registration of jobseekers and a closer labour market orientation of integration measures, inter alia through a closer link with employers.

Provide the registered long-term unemployed with an individual assessment. Make a specific job integration agreement offer at the very latest when they have reached 18 months of unemployment.

To that effect:

Registration

- (1) Encourage the registration of jobseekers with an employment service, in particular through improved information provision on the support available.

Individual assessment and approach

Employment services, together with other partners supporting labour market integration, provide personalised guidance to those concerned.

- (2) Ensure that registered long-term unemployed are offered in-depth individual assessments and guidance at the very latest when they reach 18 months of unemployment. The assessment should cover their employability prospects, barriers to employment and previous job search efforts.
- (3) Inform the registered long-term unemployed about job offers and available support in different sectors of the economy and where appropriate, in different regions and other Member States, in particular through the European Employment Services (EURES).

Job integration agreements

The registered long-term unemployed not covered by the Youth Guarantee are offered a job integration agreement at the very latest when they have reached 18 months of unemployment. This should comprise, as a minimum, an individual service offer aimed at finding a job and the identification of a single point of contact.

- (4) The job integration agreement targets the specific needs of the registered long-term unemployed and combines relevant services and measures provided by different organisations.
 - (a) The job integration agreement should detail explicit goals, timelines and the obligations which the registered long-term unemployed person must meet, such as taking active steps to find a job, accepting offers of suitable work and attending and participating in education or training, re-qualification or employment measures.
 - (b) The job integration agreement should also detail the service provider's or service providers' offer to the long-term unemployed. Depending on availability in the Member States and based on the individual circumstances of the registered long-term unemployed the job integration agreement could include job search assistance and in-work assistance, validation of non-formal and informal learning, rehabilitation, counselling and guidance, education, vocational education and training, work experience, social support, early childhood education and care, health and long term care services, debt counselling, housing and transport support.
 - (c) The job integration agreement should be regularly monitored in the light of changes in individual situations of the registered long-term unemployed and if necessary adapt the agreement to improve the transition to employment.

- (5) Put in place the necessary arrangements to ensure continuity and identify a single point of contact, in charge of supporting the registered long-term unemployed through a coordinated service offer involving available employment and social support services. This contact point could be based on a framework of inter-institutional coordination and/or be identified within existing structures.

Facilitate the smooth and secure transmission of relevant information concerning registered long-term unemployed jobseekers' support history and individual assessments between relevant service providers, in compliance with data protection legislation, thereby ensuring service continuity.

Enable a better dissemination of relevant information on job vacancies and training opportunities to the service providers involved and ensure that this information reaches the long-term unemployed.

Closer links with employers

- (6) Encourage and develop partnerships between employers, social partners, employment services, government authorities, social services and education and training providers to provide services that better meet the needs of enterprises and the registered long-term unemployed.
- (7) Develop services for employers such as the screening of job vacancies, placement support, workplace mentoring and training and post-placement support to facilitate the professional reintegration of the registered long-term unemployed.
- (8) Focus any financial incentives on schemes supporting integration into the labour market, such as recruitment subsidies and the reduction of social insurance contributions, in order to increase job opportunities for the registered long-term unemployed.

HEREBY RECOMMENDS THAT MEMBER STATES AND THE COMMISSION:

Assessment and monitoring

- (9) Monitor within the **Employment Committee** in close cooperation with the **Social Protection Committee** on the social services and income provision, the implementation of this Recommendation through the multilateral surveillance within the framework of the European Semester, and through the Joint Assessment Framework of indicators. The monitoring should follow up on the extent to which the registered long-term unemployed have regained employment, whether their integration into the labour market is sustainable and the use of job integration agreements. The European Network of Public Employment Services shall contribute to this monitoring.
- (10) Encourage the assessment of Public Employment Services' performance in relation to labour market integration of the registered long-term unemployed, sharing of experience and exchange of good practice under the benchlearning process of the European Network of Public Employment Services, established under Decision **No 573/2014/EU**.
- (11) Cooperate with Member States to make best use of the European Structural and Investment Funds, in particular the European Social Fund, the European Regional Development Fund and the European Agricultural Fund for Rural Development, in accordance with its relevant investment priorities for the 2014-2020 programmes.

HEREBY RECOMMENDS THAT THE COMMISSION:

- (12) Support and coordinate voluntary initiatives and alliances of companies engaged in the sustainable integration of long-term unemployed into the labour market.
- (13) Support social innovation projects to integrate the long-term unemployed into the labour market, in particular through the Progress section of the European Union Programme for Employment and Social Innovation (EaSI).
- (14) Evaluate, in cooperation with the Member States and after consulting the stakeholders concerned, the action taken in response to this recommendation, and report to the Council by ... [3 years following the adoption of the recommendation] on the lessons learned.
