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From: General Secretariat of the Council
To: Delegations

Subject: Long-term Unemployment Recommendation review, 3 October 2018
Final conclusions (Annex 1)

With a view to the EPSCO Council on 6 December 2018, delegations will find attached the EMCO final conclusions on Long-term unemployment (Annex 1 to the EMCO key messages on the Recommendation on LTU).

Final conclusions

Workshop 1

Lithuania

Lithuania has advanced in implementing the Recommendation. Some positive steps have been taken since the last review, in particular in encouraging the registration of long term unemployed.

There are a number of areas which could be strengthened: the process of reviewing the Individual Action Plans; cooperation between different services; the Single Point of Contact and work with employers.

Structural reform of PES is ongoing, and there has been extensive use of ESF funding in tackling LTU: the new integration model for services looks promising.

Austria

Austria has implemented the majority of requirements in the Recommendation, with strong incentives for the long term unemployed to register. There have been improvements to the Job Integration Agreements. Co-operation with employers is well developed and should support the inclusion of the long-term unemployed. A new profiling system is under development.

More efforts are needed as regards the coordination of services, especially for those with multiple social problems. Data sharing between PES and social services seems to be an issue.

Portugal

There has been substantial progress in all areas of the Recommendation, but particularly on registration and the personal Job Integration Agreements. A platform has been developed for matching labour supply and demand, and the involvement of employers has been stepped up. More efforts to improve inter-institutional coordination are needed, particularly on information sharing, to achieve the establishment of a fully functioning single point of contact. Protocols of cooperation with employers involving placement and integration of the long-term unemployed could be more routinely implemented. EMCO notes that monitoring is ongoing.

Germany

Overall Germany is well advanced in implementing the Recommendation and performs well in all 4 areas. The single point of contact, and the system of providing a Job Integration Agreement and assigning case workers to the long-term unemployed works well. Co-operation with employers is good, and there are some interesting incentives for employers, such as the combination of subsidises and job coaching.

There is still room for improvement in regard to coordination and sharing of data between service providers. There are disparities in outcomes between regions and certain groups, such as those with disabilities. Efforts could be strengthened here. More could also be done to strengthen protocols of cooperation with employers with regard to placements.

France

France is advanced in implementing the Recommendation and has reinforced its efforts recently. Job Integration Agreements are regularly updated. There is a rather integrated employment and social approach, and considerable support available, employer engagement has been stepped up. Coordination between actors needs to be improved in some areas, amongst others, through better and more effective partnerships.

However, long-term unemployment remains a significant challenge, and additional resources may need to be allocated to tackling it. Broader comprehensive reforms are ongoing that may affect the long-term unemployed in future.

Greece

Steps have been taken to improve PES capacity and develop relations with employers. Additionally, the offer of support measures has been enhanced. The number of LTU remains high and there are fiscal restraints. There is room to enhance personalized support of jobseekers, improve relations with employers and strengthen coordination between employment and social services.

Italy

Registration systems for the long-term unemployed (particularly online) have been improved and there are plans to do more to encourage registration for those furthest from the labour market. The Individual Action plans are in place, and a statistical profiling system has been set up, though case management of individuals could be improved, including in-depth assessment.

The National Strategy for LTU participation in the labour market and the PES Strategy for Employers have been discussed and agreed between ANPAL and Regions. Both will be approved by the Conference of State and Regions before the end of 2018. It is hoped that the latter will lead to substantial improvements in cooperation with employers and their involvement.

Finally, although there are positive labour market trends in Italy, the size of the remaining challenge is considerable and points to the need for substantial ongoing efforts. Coordinating efforts between the state and the regions is challenging. Investments in PES resources and IT infrastructure have been made but it remains to see whether these are sufficient to achieve their goal: more may be needed.

Spain

Steps have been taken in the right direction to respond to both the Recommendation and the CSR: there is a high level of registration with the PES, efforts have been made to improve service delivery and the use of the Individual Action Plan, there are improvements in the coordination between employment and social services.

Further efforts are required to address disparities in implementation of coordination of services and involvement of employers. The emphasis on policy evaluation is noted and EMCO looks forward to hearing the results of recent changes.

Finally, despite the labour market recovering, long-term unemployment remains a challenge and there continue to be PES capacity constraints at regional level, despite some recent improvements.

Denmark

Denmark is well-advanced in all areas of the Recommendation. There is a focus on early efforts to prevent long-term unemployment. Labour market integration success rates vary across municipalities (often due to demographics and skills profiles): Denmark is well aware of this issue and is monitoring it. There are continuous efforts to improve the social situation of those farthest from the labour market.

Workshop 2

Croatia

Key long term unemployment indicators have improved the last couple of years, however there are regional disparities in outcomes.

Overall Croatia has taken important steps to implement the LTU Recommendation and EMCO acknowledges the improvements since the 2016 review evaluation (e.g. statistical profiling, plans to reduce LTU).

It is positive that the unemployed tend to register with the PES -which is the leading organization for delivery of SPOC, not a formal single point of contact- and that there are new tools to prevent de-registration. Overall, the registration system functions well, as proved by the high registration rates, and moreover there is progress in the area of Job Integration Agreements (that mostly cover PES services).

More should be done in the area of gathering and exchange of data and the cooperation between PES and social services should be enhanced, promoting the one-stop shop concept. There is room for improvement as regards PES' adjustment capacity.

Cooperation with employers exists but could be enhanced. EMCO acknowledges the Croatian plans to increase employer satisfaction, and notes that cooperation among different partners needs to take place at local and sectoral level.

Bulgaria

We observe positive developments in statistics (growth and the rate of LTU).

Bulgaria has made clear progress as regards the implementation of the LTU Recommendation but more needs to be done to reach full implementation. Several targeted measures for the long term unemployed are being implemented some in cooperation with the social partners.

EMCO acknowledges the recent introduction of the Job Integration Agreements but notes that it could be much more effective and looks forward to further news as regards the National Framework Agreement (which involves the municipalities), which is expected to improve the provision of integrated services as well as strengthening the cooperation between different providers. Emphasis should be now placed on coverage and effectiveness of these Agreements.

Employers are involved in the implementation of the Council Recommendation as hiring LTU is highly subsidized. There is a need to establish local networks. There is room for improvement in the area of registration of LTU with the PES (below the EU average). The low level of registration remains a key challenge.

Ireland

The labour market situation in Ireland is improving.

The situation in Ireland is advanced as regards implementation, fulfilling the requirements set out in the LTU recommendation.

Ireland has developed the one stop shop model of Intreo and overall, it fully implements the Single Point of Contact set out in the Council Recommendation. The JobPath programme enriches the portfolio of services to the LTU. Employer involvement is significant and cooperation takes place at different levels.

Registration is carried out adequately and there is no issue of de-registration. However, there is room to strengthen the outreach, to cover better inactive and other vulnerable groups. EMCO welcomes the large on-going evaluations on the effectiveness of labour market policies.

Finland

Labour market conditions are improved.

Finland meets to a large extent the requirements of the Council Recommendation for the integration of the LTU.

Most of the criteria set out in the LTU Recommendation regarding delivery of a job integration agreement and the establishment of a single point of contact are fulfilled.

Cooperation with employers is extensive, and social partners are involved (e.g. in the skills forecasting area). EMCO takes note of the new kind of co-operation, the Social Impact Bond, considering it interesting.

Efforts to reach out to the inactive population, esp. discouraged workers and people with a migrant background should improve. Adequate resources is key.

There is scope for improving the IT infrastructure, allowing, for example, the transfer of files between different agents of service providers, and integration of services.

Malta

EMCO welcomes progress in key statistics. LTU related indicators are performing better than the EU average.

Malta is taking significant steps in the area of LTU. However more efforts are needed to bring Malta closer to full implementation notably improving the single point of contact.

A wide range of services is provided by the PES, including reaching out to the inactive population while incentives and subsidies are on place in order to encourage the employers' involvement.

The Job Integration Agreements are well developed and comprehensive. A new approach for categorization of the LTU persons, recently introduced, could serve as a prevention of deregistration.

The PES is working closely with three private service providers to provide profiling, training and job placements and there are well-developed partnerships with the employers.

EMCO looks forward to further information as regards outreach activities through the private partnership.

Hungary

We welcome the improved economic situation and labour market statistics

Hungary has made progress since the last review notably in the area of registration process, profiling, and the Individual Action Plans that are provided to all unemployed. The single point of contact has been identified

Registration is a prerequisite for being entitled to unemployment benefits, however reaching out to the inactive, especially the long term inactive poses some challenges. The efforts by the NGOs in approaching inactive and LTU people are promising.

More efforts are needed to get a Job Integration Agreement more in line with the provisions in the Recommendation and to strengthen and develop the cooperation between social and employment services (given that the cooperation between them is often not formalized and regulated, but happens at the local level depending on local circumstances) . There is a need for developing the mechanism for the data transmission between service providers.

The coordination with employers could be strengthened, regulated and formalized, especially at local level. Social partners could have a role in the LTU integration.

There are geographical disparities in the unemployment rate. Overall, there is a need to strengthen the PES capacity in order to enhance the efficiency of PES services.

Estonia

Relevant statistics are better than the EU average. Economic growth has been significant in the recent years

The situation in Estonia is to a very large extent compliant with the Council Recommendation. The country has a well-functioning system.

Job Integration Agreements are well developed and adapted locally, in place for all LTU, and are implemented in line with the LTU Recommendation. Quality is regularly monitored and assessed.

The Single Point of Contact is in place and coordination between services is strong. The partnership with employers is strong.

However, registration of the long term unemployed is relatively low and efforts to increase the proportion of unemployed persons registered at the Unemployment Insurance Funds should be enhanced.

EMCO takes note of the Work Ability reform and its aim to upskill people with low or no work ability and looks forward for further developments in this front.

Latvia

Economic growth trends are positive and LTU related statistics are better than EU averages.

Latvia has advanced with the implementation of the LTU Recommendation. Registration has become more attractive, however outreach to those furthest away from the LM needs to be improved.

All registered unemployed undergo profiling and have job integration agreements and the involvement of employers is strong.

JIAs are well defined and signed on a timely basis, offering tailored proposals for all users.

The coordination between employment and social services could be further strengthened . EMCO is looking forward to see the results of the ongoing OECD survey on the effectiveness of ALMPs.

There are strong regional disparities in labour market outcomes. The establishment of the Employment Promotion Advisory Board is a step in the right direction, addressing also the lack of vacancies in rural areas.

EMCO looks forward to further developments in the area of addressing disparities and notes that coordination of service provision should improve.

Participation in and spending on ALMP remains low and is depending on EU funds, raising concerns about sustainability. EMCO is looking forward to results by OECD survey in ALMP.

Netherlands

Economic growth has gathered momentum, and LTU related LM statistics are better than EU average.

The LTU Recommendation is to a large extent implemented in the Netherlands.

Registration of unemployed with the Employment service, as said last time, is not an issue, in line with the Recommendation. Cooperation between services is strong. Another strong point is the budget of PES for face to face interviews

There is a single point of contact for the long term unemployed and information is shared between PES and the social service providers (municipalities). However, processes and information flows between these two providers could improve through better cooperation, as performance now differs per municipality and the monitoring of those who do not receive a benefit could be reinforced.

Workshop 3

Luxembourg

This review confirmed that the implementation of most elements of the Recommendation is well-advanced and considerable progress has been made since the last review. The cross-registration with employment and social services together with the implementation of multichannel pre-registration represent the most significant improvements. Division of responsibility between the PES and social services is clear: the new law of activation allowance means that the PES will be the central point of contact for all applicants able to work in the regular labour market. There is a well-organised system of personalised assistance in place.

However, progress is still necessary to further improve registration and to deepen inter-institutional cooperation for the delivery of all services. Further policy measures that take into account the specificities of the long-term unemployed may also be necessary.

Belgium

Belgium is well-advanced in implementing the Recommendation and has introduced policy measures addressing the main components of the Recommendation. In recent years, Belgium has taken additional measures to improve the financial incentives to work including for the long-term unemployed. Registration is nearly universal as it is linked to receipt of unemployment benefits and activation measures, providing a stable connection with the Public Employment Services.

The situation on the single point of contact varies across the regions, but a point has been identified in all of them. The cooperation between different stakeholders in the activation process is well-developed. Employers are involved in activation measures, and on-the-job training measures are provided. The individual social integration project is compulsory for all recipients of social integration revenue who are able to work. The job integration agreement includes individual tailor-made support.

There is still scope to increase registration by improving outreach to groups of people who are not entitled to unemployment benefits or are discouraged from participation in the labour market. An evaluation of the effectiveness of activation measures might also be warranted.

Czech Republic

The Czech Republic has made progress in implementing the Recommendation through promoting cooperation between social and employment services, introducing counselling regarding complex issues faced by the target groups as well as increasing cooperation with employers. However, since these measures are financed mostly via European Social Fund projects, they have limited sustainability. Plans for improvement have been reported in the areas of individualised services, including improved profiling, counselling and strengthening of the single point of contact, though implementation remains.

There is still large scope for improvement. The profiling system is very basic and the services offered are mostly universal. An outreach strategy and multichannel delivery of services are not developed. The content of the individual action plans, which at the moment consists mainly of employment services, should be extended to include other services. Furthermore, expanding the Employment Pacts to involve local actors is worth considering.

Slovenia

Since 2016, Slovenia has made progress in all areas of the Recommendation. Outreach actions, a better allocation of resources for the registration of the unemployed and gradual sanctions to prevent de-registration have been introduced; The IT infrastructure for the single point of contact has been set up in the PES. On individualised support, job integration agreements are structured around individual assessments shared across service organisations. They are concluded at the very latest after 18 months of unemployment and are monitored and updated; Significant progress has been made towards promoting cooperation with employers and developing services for them. In particular, the recently-introduced central office for employers presents good results. The hiring of new counsellors for the long-term unemployed, the retraining of existing staff and the setting-up a new PES search engine to follow-up activities by case managers are welcome. New plans for improving formal profiling are also welcome.

However, further improvement of cooperation and information exchange between PES and social service providers is necessary. The measures announced look promising, but their impact depends on their full implementation. Better collaboration is needed at regional and local level. A flexible budget is important so that ALMP programmes can be more responsive to local labour market needs. Participation in adult education should be encouraged, since shortages in some occupations present opportunities for returning the long-term unemployed to the labour market.

Poland

Generally, the registration system seems to work quite well for the long-term unemployed. For those unregistered, vocational and career guidance services are available alongside online services. The role of the single point of contact is assigned to the local labour offices which cooperate closely with other local actors. The support to the unemployed is individualised, as the individual action plans are tailored to specific situations and include various activation measures, though they are not specific to the long-term unemployed. Specialised client advisors are involved in the activation process of unemployed persons, including LTU. The involvement of employers takes the form of local partnerships and incentives for hiring people from specific vulnerable groups (people under 30 or over 50 years).

Further improvements are planned through labour market reforms, new measures targeting the long-term unemployed and mandatory agreements. The new legislation on activation looks promising. However, the impact of all these planned improvements will depend on their implementation. Furthermore, a reform of the active labour market policies is crucial in order to provide a comprehensive list of support measures, including education and upskilling. Sharing the individual assessments across services should also be ensured to allow for a streamlined delivery of services.

Cyprus

Cyprus is at an intermediate phase in the implementation of the Recommendation. The district labour offices have been assigned the role of single point of contact. Employment and social services are well-coordinated. Relevant information such as history of employment and assessment of needs are pooled together and transmitted from the single point of contact to other relevant service providers. In terms of delivery of job integration agreements, a thorough individual assessment is done, updated and complemented. The newly-introduced job integration agreements are comprehensive and include various services, such as upskilling, in order to improve the employability of the long-term unemployed. Hiring additional counsellors by the PES is welcome, as this is expected to help raise the coverage of the long-term unemployed by job integration agreements. Employers' involvement is improving. Protocols of cooperation with employers regarding job placements for long-term unemployed are being implemented and new services for employers are being developed.

Challenges remain in the areas of inter-institutional infrastructure and the low sharing of individual assessments between organisations involved. Improving the efficient categorisation of clients according to their degree of difficulty in entering the labour market should be foreseen. The registration system should be further improved, particularly in terms of accessibility, moving from conventional methods of registration currently used towards cross-registration and multichannel registration possibilities.

The implementation of the Recommendation can be further improved by targeted actions for outreach, registration and personal guidance. In that respect, targeted active labour market policies, and wider personalised guidance should be considered, supported by the planned increased capacity of the Public Employment Services.

Sweden

This review has confirmed that Sweden has a strong framework for implementing the Council Recommendation with well-developed policies addressing the main components of the Recommendation but also with additional improvements across areas.

Registration with the PES appears to be well-functioning and was further improved by the extended use of digital channels for registration with the ambition to make more resources available for groups in need of more extensive support, for example long-term unemployed. The single point of contact is in place and is undergoing further improvements, by establishing co-locations for different providers of social and other services. Even though there are no written job integration agreements in place, they are fully substituted by individual action plans for all jobseekers concluded within 30 days of unemployment, updated continuously and containing a range of activation measures. The cooperation with employers is strong and well-developed and has been further improved by recent initiatives such as an employers' strategy and the introduction of a new staff group called employers' counsellors.

Nonetheless, it is important for Sweden to continue to reach out to people with increased risk of long-term unemployment, such as non-EU born, low-skilled and people with disabilities. Establishing co-locations for various service providers has been established but could be further developed.

Slovakia

Slovakia has taken key steps to improve the activation of long-term unemployed and has made progress in implementing the various elements of the Council Recommendation.

There is a comprehensive institutional setting for the registration of the unemployed, which could be further improved. Single points of contact have been established in all labour offices (46) in line with the Recommendation, with a strong role in counselling. The client-counsellor ratio has been dramatically improved, which should allow for better counselling. As for the implementation of job integration agreements, a comprehensive strategy has been elaborated. New services such as "Networking" and "Committees on Employment" have been introduced in order to improve the involvement of employers.

Overall, a comprehensive set of new measures was introduced, which should contribute to further improving the labour market integration of the long-term unemployed. Further efforts to improve profiling, including monitoring, individualised counselling and provision of tailor-made activation measures for the long-term unemployed and inactive people are needed.

Romania

Overall, progress has been made in implementing the Recommendation with some policy measures undertaken in each area. The long-term unemployed must be registered in order to receive the guaranteed minimum income. Annual job fairs organised at local level represent a good outreach measure. A single point of contact has been legally designated (the Public Employment Services, ANOFM) but coordination with other service providers is not in place yet. The individual action plans contain mainly measures aimed at promoting employability. A legal framework for job integration agreements has been introduced and has started to replace the individual action plans since August this year. The introduction of case managers and the hiring of additional PES staff might help in the full delivery of the new job integration agreements.

Challenges remain regarding registration of the unemployed, where Romania should consider multichannel possibilities. Moreover, the Romanian authorities should improve the information-sharing system and profiling for individual assessment of needs. Effective cooperation with employers needs to be addressed and partnerships with other stakeholders should be strengthened.