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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Implementation of the Recommendation on the integration of the long-term unemployed into the labour market: EMCO Key Messages
- Endorsement of the EMCO key messages

Delegations will find attached the key messages from the Employment Committee on the implementation of the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market (*OJ C 67, 20.2.2016, p. 1–5*) to be endorsed by the Council (EPSCO) at its session on 8 December 2022.

Annex 1: Data collection for monitoring the LTU Recommendation: preliminary results for 2021 can be found in ADD 1 to doc. 15081/22.

EMCO review of the Council Recommendation on the integration of the long-term unemployed into the labour market

Key messages to the EPSCO Council

The fourth review of the Council Recommendation on the integration of the long-term unemployed (LTU) into the labour market took place on 14 November 2022. In addition to discussing the extent to which Member States have taken into account the guidance of the Council Recommendation, the 2022 review explored the progress made by Member States in providing registered long-term unemployed with quality training opportunities to improve their ability to access jobs in a changing labour market.

In 2021, the share of long-term unemployed on total unemployment has increased compared to 2020, reflecting the consequences that the COVID-19 pandemic has had on employment opportunities. This followed a period since 2014 of decreasing long-term unemployment.¹ At the same time, the participation of the unemployed in active labour market policies (ALMPs) continued to rise also in 2020 but with no sign of convergence being observed in European labour markets, where sizeable differences between Member States persist.²

¹ The overall EU-27 share of long-term unemployment in total unemployment dropped from 49.6% in 2014 to 34.1% in 2020, before rising again to 39.2% in 2021.

² Overall, the share of participants to active labour market policies in EU-27 went from 21.8% in 2014 to 29.5% in 2019 and jumped further to 37.0 % in 2020 under influence of the pandemic.

Implementation progress

Ahead of the review, Member States completed a self-assessment questionnaire aimed at assessing their level of implementation of the Council Recommendation by focusing on four key areas for action: registration of the long-term unemployed; delivery of Job Integration Agreements (JIA); coordination under a single point of contact; and involvement of employers. The self-assessment shows that the progress in implementing the Council Recommendation has slowed down in recent years, also due to a strong negative impact of the pandemic. Overall, the level of implementation continues to vary across Member States, although some common developments are visible.

Among the responses to the COVID-19 pandemic, Public Employment Services (PES) are increasingly digitalizing their support services while keeping physical access also available for the long-term unemployed, who often lack ICT skills or lack access to adequate IT infrastructure. Although adequate information on employment support and multi-channel registration are increasingly made available to LTUs, improvements are still needed in terms of effective outreach actions to encourage the registration of inactive adults, especially the NEETs. Many Member States consider that a high registration of LTUs is closely linked to making benefits conditional upon registering, while other Member States have implemented policies to prevent de-registration.

National approaches still vary when it comes to the implementation of the Single Point of Contact (SPOC) but almost all Member States have appointed a SPOC within their PES or in other entities. Cooperation among services providers (employment support, social services, training etc.) is improving, but in several cases remains insufficient overall to provide comprehensive support to the long-term unemployed person in the most effective manner possible. Member States also reported that data sharing among service providers is improving but continues to lack of an appropriate IT infrastructure.

JIAs are largely implemented and many PES use statistical tools to assess individual risks and identify during the first individual assessment the level of support needed for the jobseeker.

Improvements have been made on providing more regular updates to and reviews of personal assessments. In this context, PES are reinforcing access to training (soft skills, green and digital skills, vocational training) and can offer motivational and psychological support.

The economic context of sectoral labour shortages has further increased the necessity of pre-hiring support from PES (such as job search support, job matching, re-screening of applications, etc.) and reinforced PES/employers partnerships. More PES now have dedicated staff for liaising with employers. Wage and social contributions reductions schemes are widespread and overall quite effective in incentivizing the hiring of LTUs. Some PES have also introduced post-hiring help to LTUs to ensure a long-lasting re-integration of the labour market (e.g. via motivational coaches, mediation with the employers, social services, childcare, etc.).

Thematic discussion

This year, the policy discussion focused on the provision of training for the long-term unemployed, exploring three key aspects: coverage, financing and governance.

Regarding the **coverage**, many Member States reported having widespread access to training opportunities for the long-term unemployed. In the majority of Member States training for long-term unemployed is provided in the context of ALMPs available to all jobseekers. Access to training is generally based on an in-depth assessment of the work experience, existing qualifications and skills, as well as capacity to work, with no *ex-ante* differentiation made according to the duration of unemployment spells. Yet, LTUs – and unemployed at-risk-of becoming LTUs – are often prioritised in the access to training together with other vulnerable groups, and it is important to carry out impact evaluations to determine if the training offered to LTUs is effective in terms of supporting a sustainable labour market integration. Overall, important gaps remain in the degree to which adult unemployed participate in training and education activities, with the majority of Member States registering inadequate rates compared to the size of the challenge to equip jobseekers with appropriate skills in line with the ongoing changes in the labour market. Some concerns remain on the ability to effectively reach out to long-term unemployed living in remote low-density areas where it is difficult to set up adequate physical infrastructures, especially for continuous vocational training. Regional mobility support during training programmes can support tackling this challenge. The sectoral dimension of training is pursued combining skills needs assessment tools with the overarching goal of fostering the twin transition. Overall, efforts should continue to analyse and identify barriers to the participation of long-term unemployed in training.

Training delivery models remain strongly differentiated across Member States with public procurement and contracting out training to private services remaining the most used, including in combination with other modalities, while some Member States have opted for demand-driven systems, for example voucher schemes and individual learning accounts. Across the EU, training can also be delivered in-house via training departments of PES, under partnership agreements, by education and training institutions, and directly by employers. **Financing** of training relies on different combinations of national resources (including from PES budgets), social contributions by employers and employees, the European Social Fund+ (ESF+) as well as the Recovery and Resilience Facility (RRF). For one group of Member States, access to training is free of charge for jobseekers receiving benefits and costs are typically financed by the state. In other Member States, the entitlements are co-financed by the state, the employers and the employees. Some demand-led instruments have been made available to the unemployed in several countries, in the form of training vouchers or individual learning accounts. In a third group of Member States, training entitlements are financed by the state with sometimes large or full contributions from the ESF+. In these cases, while the ESF+ is definitely contributing to enhancing training delivery across Member States, it is also important to ensure sustainability through adequate national funding.

On the **governance**, despite an overall self-assessed drop in the involvement of social partners in re-integrating long-term unemployed in the labour market, Member States are reporting on a lot of actions currently taken to strengthen the involvement of key stakeholders in the provision of training offers. Partnerships are being set up with employers to adjust training opportunities to labour market needs and sectoral labour shortages; as well as with inputs from social partners, the business community and trade unions to design and implement the training to be made available to long-term unemployed. Some Member States see the involvement of employers as the key elements in future efforts to respond better to the needs of the labour market while others routinely carry out a survey of employers' needs to determine upcoming training needs. In a few Member States employers are also very involved in educational standards used in the trainings. An effective governance of training provisions is a vital part of a successful implementation of the Council Recommendation.

Data collection

Finally, preliminary results from the latest (fifth) full data collection exercise monitoring the LTU Recommendation (a summary of the results is annexed to these key messages) shows mixed results but with limited overall progress. Overall, close to 70% of LTU registered for at least 18 months had a Job Integration Agreement (JIA) in 2021 but this figure cover large differences across the EU. In 13 Member States at least 95% of LTU that have been registered as unemployed for at least 18 months are provided with a JIA while this is the case for less than one in three in 5 Member States. The data on the extent to which the JIA are successful in getting long-term unemployed back in the work shows improvements since last year with 49.2% of JIA users known to have taken up employment. Follow-up indicators showing the situation of JIA users twelve months after they started work show that 37.8% of JIA users taking up work in 2020 were in work a year later, a lower proportion than for those leaving the register in 2019 (42.9%). It is fair to assume that the pandemic may largely have influenced this figure. The provision of data for the LTU data collection is still incomplete especially as what concerns follow up indicators and Member States are encouraged to step up efforts to provide complete data.
