



EURODIACONIA RESPONDS TO THE EUROPEAN COMMISSION'S PROPOSAL FOR A COUNCIL RECOMMENDATION ON THE INTEGRATION OF THE LONG-TERM UNEMPLOYED INTO THE LABOUR MARKET

Brussels, 2 November 2015

Eurodiaconia is a network of 45 organizations in 32 European countries providing social services and working for social justice. Founded in the Christian tradition we work to ensure that our societies provide opportunities for all people to live in dignity and realize their full potential. Ensuring a social market economy that promotes inclusive growth constitutes a priority for our members and this is demonstrated by their engagement in the provision of work integration and related social services for unemployed persons.

The devastating effects of the financial and economic crisis on European labour markets remains one of the most acute challenges faced by the EU today. At the end of the second quarter of 2015, 23,3 million EU citizens were unemployed, a figure which represents 9,6% of the active population¹. Such unacceptably high levels of unemployment, roughly one point below the crisis-high scored during the first half of 2013, constitute a strong reason for concern over the future of millions of EU households. However, the composition of unemployment is perhaps yet more alarming. Of all job-seekers, 49,3 % are long-term unemployed (2015, q2), which means that they have been unable to find a job for a year or more. This figure represents a sharp increase from pre-crisis levels, when roughly one third of unemployed people had remained under that status for over a year.

Long-term unemployment is exposing large numbers of EU citizens to increased risks of hardship, poverty and social exclusion, which are only more likely to become chronic as the length of unemployment increases. Long term unemployment does not only have an impact on one individual but on families and ultimately local communities. Local communities with a high level of long term unemployment may be prone to additional social challenges and a lack of social cohesion. Furthermore, the effects of long-term unemployment extend to the economic potential of the EU as a whole, as it represents a waste of productive potential.

¹ Eurostat, *Labour Force Survey*.



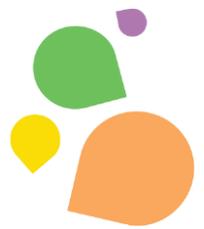


In this framework, on 17 September 2015, the European Commission proposed a Recommendation on the reintegration of the long-term unemployed². According to Eurodiaconia, the document contains a sound assessment of the necessary actions to lift people from long-term unemployment and appears to be a well-guided, if somewhat late, wake-up call for policy-makers in Member States. Eurodiaconia is particularly happy with the proposed Recommendation's acknowledgement of the need for individualised active support for the successful reintegration of job seekers into the labour market. We agree that prompt registration with employment services and a subsequent assessment of individual needs where social services play an instrumental part are essential to increase the employability and support the reintegration of long-term unemployed into job markets. In reality, this orientation follows the spirit of Eurodiaconia members' direct experience in the provision of work integration and related social services for unemployed people. Eurodiaconia, therefore, broadly agrees with the content of the proposed Recommendation. Notwithstanding this, Eurodiaconia would like to bring several other points to the attention of the European Commission and Member States in order to render the provisions contained in the proposed Council Recommendation more effective and responsive to the needs of long-term unemployed persons.

- The document's stress on employment services as a basic tool to build stronger pathways to labour market integration points in the right direction. In particular, Eurodiaconia **welcomes the approach chosen by the proposal, which understands labour market services as integrated with social services**, recognizing the key role of health and rehabilitation services, debt counselling, child and care services, training and housing, among others, as vital to establishing effective paths of return to employment. In addition, Eurodiaconia fully agrees with the proposed Recommendation's call for institutional approaches that underpin the above mentioned integrated provision of services. Establishing single points of contact for job-seekers should, in this regard, be an important step to speed up intervention and increase its overall coherence. However, coordination efforts should not be limited to the contact with end users. **Coordination should also be pursued across all the stages and levels of service provision**, in order to render interventions more effective –minimizing the length of unemployment spells-, as well as more efficient.
- In view of its long tradition as providers of integration services dealing with persons who find themselves excluded from labour markets, **the proposed Recommendation should have foreseen a role for civil society organizations within the above-mentioned framework**. When overseeing civil society's experience in the field of work integration, the document fails to acknowledge the intrinsic added value of services provided by not-for-profit organizations and, secondly, dismisses the vast potential for partnership between civil society and employment services, an essential step in view of the latter's structural resource limitations and difficulties to cope with the dramatic increase in demand brought by the crisis.

The massive challenge represented by the large number of long-term unemployed in the EU should not be incompatible with a more precise look at the different groups composing the pool of long term unemployed. The nature of interventions, as well as their effectiveness, may be of one kind for unemployed persons who suffer the negative effects of the current economic downturn but whose employability prospects are to a great extent intact. On the other hand, other long-term unemployed may benefit especially from worker-friendly environments which are better suited to accommodate older workers, workers with disabilities, workers with children, etc. Policy efforts should, in this case, concentrate on the promotion of suitable work conditions both physical and structural, among employers and less on workers. Finally, a significant share of long term unemployed are

² European Commission, *Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market*, COM (2015) 462 final.



suffering from more serious restrictions to access mainstream labour markets due to disabilities, social circumstances, etc. which are very likely to become structural and result in exclusion if employment services do not devote specific efforts in this case. According to Eurodiaconia, **it is essential that employment services differentiate among different target groups before designing and prioritizing interventions.**

- The proposed Recommendation calls for Member States to put in place in-depth individual assessments for the long-term unemployed well after the moment a job is lost; in the period between 12 and 18 months of unemployment. Also, the offer of a 'job integration agreement' consisting of a tailor-made offer of integration framed under a setting of mutual rights and obligations is also foreseen at the latest, after 18 months of unemployment. In the view of Eurodiaconia, **the focus and timing of interventions should be in the earlier stages of unemployment** because, in the proposed Recommendation's own words, 'an early assessment and targeted measures can reduce the risk of falling into long-term unemployment'. **Earlier intervention should be envisaged particularly when the odds of being re-employed are at the lowest.** In this regard, workers with lower education and skill levels, higher ages or with work-experience concentrated in declining economic sectors, as well as young people falling outside the scope of the Youth Guarantee, **should already be identified for personalised support upon registration into employment services.** Early intervention in these, as well as in other cases, is essential to maintain the employability of workers and prevent their fall into long-term unemployment or inactivity. **In the same vein, concentrating action 'around 18 months of unemployment' because 'this is when support mechanisms and services for [the long-term unemployed] change in most Member States' is precisely the wrong approach, because it maximizes the odds of falling into poverty and exclusion for people whose benefits are extinguished but had, with at least 18 months of unemployment, already shown clear signs of low employability.**
- The proposed Recommendation's definition of 'job integration agreements' involves strong commitment from both service providers and long-term unemployed persons alike. Eurodiaconia agrees that the provision of a comprehensive set of services aimed to ease the transition to employment needs to be reciprocated by the responsibility of job seekers in actively conducting a job search or taking part in education or training programmes. **However, the proposal misses the opportunity to explicitly state that reinforced responsibility should not be interpreted by Member States as a validation of stricter conditionality measures.** In every case, there must not be conditions nor sanctions that undermine minimum income and housing benefits, or effective access to health care. In the view of Eurodiaconia, greater conditionality will bring additional social exclusion and create, as a result, added challenges for employment services. Also, it represents a break with the fundamental right to social protection and social services in the event of unemployment enshrined –as the proposed Recommendation itself recalls- in arts. 29 and 34 of the Charter of Fundamental Rights of the EU.

Furthermore, **the proposal's call for more effective employment services**, together with its proposal to 'focus financial incentives on schemes supporting direct integration into the labour market' **should not be interpreted as an opportunity to privilege the integration of unemployed persons with better employability prospects.** Eurodiaconia reiterates that **it is essential that employment services are designed and in particular are funded in a way that their universal reach is guaranteed and the 'creaming' of the 'best' -more employable- job seekers avoided.** In the same vein, while agreeing that more effectiveness in employment services is needed, we believe that the measurement of their success cannot be understood as a mere count of the number of people who found a job. Evaluating the impact of active labour market policies is a multi-faceted, complex



and costly exercise which, for instance, should be supported by individual data checked against control groups which are adequately defined. It also requires a certain time perspective if, for instance, the quality of new jobs and tenure are to be considered as desirable outcomes of placement services. While some of these requirements clash with the emergency of the current job crisis, they still need to be taken into account before conducting a complete assessment of employment policies. In every case, **such aspects should be born in mind in order to prevent target or result-oriented to measure the activity of employment services.**

- Eurodiaconia also misses references to the **quality of jobs**. In spite of unacceptably high levels of unemployment in the EU today, Eurodiaconia believes that the pursuit of quality jobs remains the only strategy to guarantee, in first place, sustainable employment that brings dignity to workers allowing them to fulfil their capacities and expectations and, secondly, to ensure smart economic growth in the EU. In view of the core importance of these goals, Eurodiaconia is worried that job quality is absent throughout the document, especially when, at the same time, it is acknowledged that only one half of workers finding a job escape the risk of poverty. **Such evidence alone should constitute a decisive motivation to advocate for quality jobs as the best possible path to restore well-being among the unemployed and workers at large.** As a matter of fact, the proposed Recommendation's greater focus on labour markets from the supply side only overlooks the equally essential part played by employers in offering better opportunities for the reintegration of long-term unemployed. In particular, more and better cooperation between employment services and employers should be promoted as a key channel to reintegrate unemployed persons into quality jobs.
- Eurodiaconia would also like to point at the **disproportionately low attention paid to skills, training and education programmes as instruments to enhance the employability of long-term unemployed persons.** The document is essentially focussed on enhancing job-search services and even contains a specific recommendation that regards recruitment subsidies and social security exemptions as a way to increase job opportunities. **The oversight of skills as a key driver of employability misses the opportunity to confirm that work integration policies also constitute an investment on individuals and the economy as a whole.** In some cases, education and training actions are in fact the specific type of interventions needed to enhance the likelihood of employment for low-skilled, low-qualification workers or whose skills have become obsolete. In fact, the proposed Recommendation would have been a golden opportunity to stress the role of skills and training interventions as an adequate strategy to prevent the loss of jobs. Once again, partnerships between employment services and employers should be especially promoted in order to anticipate skills and qualifications in demand and enhance, as a result, the effectiveness of training programmes.
- The proposed Recommendation aims to revive the spirit of the Youth Guarantee, endorsed by the Council of the EU in 2013 and just relaunched last May, to address high levels of youth unemployment and inactivity as a result of the crisis. In spite of its limitations, the Youth Guarantee has been a positive instrument for the integration of young people below 25 years of age into labour markets, helped by the establishment of ad hoc funding under the Youth Employment Initiative. The proposal's call for putting 'job integration agreements' in place would require a parallel financial effort which is, however, absent in the document. **Therefore, the advice of making best use of existing EU funds to face the massive challenge of long-term unemployment seems insufficient and inhibits to a great extent the potential impact of the proposed Recommendation.**
- Eurodiaconia would also welcome **further steps towards the integration of the proposed Recommendation within the framework of related EU initiatives aimed to reintegrate unemployed persons into labour markets.** In this regard, it would be appropriate to ensure the



coherence of the present document with the recommendation on the active inclusion of people excluded from the labour market (2008/867/EC) and specifically encourage new efforts towards inclusive labour markets and adequate income support schemes as equally important pillars for the reintegration to labour markets. Also, a clearer definition of the proposed Recommendation's connections with the European Semester and the Europe 2020 employment and poverty targets would also be desirable in order to ensure the proposed Recommendation's impact.

We thank you in advance for your attention and remain at your disposal if you would like more information on our proposals.

Yours sincerely,



Heather Roy
Secretary General
Eurodiaconia
www.eurodiaconia.org