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

Subject: Implementation of the Recommendation on long-term unemployment:
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 6 December 2018.

Annex 1: EMCO final conclusions on Long-term unemployment can be found in ADD 1 to doc. 14409/18.

Annex 2: data on LTU Recommendation can be found in ADD 2 to doc. 14409/18.

Implementation of the Recommendation on long-term unemployment: EMCO key messages for EPSCO Council

EMCO carried out its second review of the implementation of the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market in all Member States on 3 October 2018 (a first review having been carried out on 15 December 2016). This review took place in a context of an improved labour market situation across the EU, which is helping to deliver better labour market results for the long-term unemployed.

The long-term unemployment rate in 2017 was 3.4% across the EU, down from 4.4% in 2015. The number of long-term unemployed in the EU has continued to decline, reaching 7.3 million in 2017. Encouragingly, rates have fallen since 2015 in all Member States except Luxembourg and Austria where increases were marginal. The greatest improvements in long-term unemployment rates were seen in Croatia and Spain. Long-term unemployment rates vary from 1-1.5% in the Czech Republic, Denmark, Poland, Sweden and the UK to 4.5-8% in Cyprus, Spain, Italy and Slovakia, and 15.3% in Greece. Despite this improvement, long-term unemployment still represents a big human and economic cost for the EU, and disparities across the EU persist.

EMCO found that, whilst, all Member States have taken steps to improve implementation of the Recommendation since the previous review in 2016, the level of implementation varies. Some Member States are at an advanced stage, whilst others have more to do to put in place key areas of the Recommendation.

EMCO noted that the capacity of Public Employment Services (PES) is an overarching issue which is critical for effective implementation of the Recommendation in all Member States. Some Member States also experience sharp regional disparities in PES delivery, which need to be addressed.

During the review, a number of other broader reforms were noted which may affect integration of the long-term unemployed into the labour market, for example, reforms of systems of Vocational Education and Training.

The review also highlighted the positive role of ESF funding to tackle long-term unemployment in a number of Member States.

EMCO would also note the Social Protection Committee's 2018 report which looked at how social services support labour market integration of the working age population who are furthest away from the labour market. This report contains a number of relevant considerations. It concluded that people excluded from the labour market require not only active labour market programmes, but also measures addressing barriers to social inclusion. The report also noted that a wide-range of personal targeted social services are offered universally or to those furthest away from the labour market, and that these services are increasingly being provided in an integrated way.

As regards the four main areas of the Recommendation, EMCO would note the following:

In a number of Member States, ensuring high **registration of the long-term unemployed** is closely linked to making benefits conditional upon registering. This appeared to be successful in creating a stable link between the long-term unemployed and the PES. Some Member States have put in place policies aimed at preventing de-registration. However, many Member States still need to improve outreach efforts towards the inactive, and develop incentives for registering, and staying registered, with employment services, where absent.

The Review confirmed that additional services are important for the long-term unemployed as they may need social, health and other support measures on their way to employment. Efforts have been made across the board to increase **coordination** between the public employment services, social services and other service providers. Some Member States are setting up IT solutions for exchange of information; others are putting in place protocols of cooperation. Yet coordination remains an overarching challenge for many Member States due to a number of reasons, including data protection issues, the division of responsibilities between institutions, and a lack of resources.

There are also very different national approaches to setting up the **single point of contact**. Some Member States fully integrate relevant services - sometimes via a physical "one-stop shop" - , whilst others have one coordinating authority that links and refers to other institutions. Furthermore, several Member States have designated the authority that should be the single point of contact, but have not yet put in place the measures to ensure it is functioning as such, through coordination with other services.

Job integration agreements or equivalents are present in most Member States. Some have updated existing tools to reflect better the needs of the long-term unemployed. There is also a need to do more, particularly when it comes to reviewing individual assessments regularly, and updating when necessary. This update is very important, but does not happen in all Member States.

Member States carry out a range of activities under the heading of **employer engagement**. EMCO has seen a number of innovative approaches: Some Member States have PES staff dedicated to this engagement, which is promising; others combine wage subsidies with on-the-job coaching. EMCO looks forward to hearing the results of these measures in the future. A more strategic approach to partnerships with employers is still lacking in some Member States. Whilst co-operation with social partners is usually in place, it could be more formalised and better structured in some cases, particularly at the local level.

The monitoring of the Recommendation is also underpinned by quantitative data being gathered with the support of Member States. The second full data collection exercise based on the Indicator Framework developed by EMCO was undertaken in 2018 (a summary of the results is annexed to these key messages). Overall, the second round of data collection has seen substantial improvements in the quality and completeness of the data collected. Member States have further improved the alignment of their data with the specifications of the Indicator Framework demonstrating their commitment to the monitoring of the Recommendation. The data collected facilitates the calculation of key indicators for most countries and represents a good starting point for monitoring progress on an ongoing yearly basis. Next year's data collection exercise will incorporate methodological improvements based on the lessons learnt during the first two rounds of data collection (2017 and 2018). These improvements will simplify the monitoring, reduce the burden on Member States, and make the results easier to interpret.

Despite the progress achieved in the monitoring, additional efforts are needed. Member States are encouraged to take steps to improve the quality and completeness of the data and improve their capacity to follow-up people after they move out of unemployment, for example through the use of linked registers. Ensuring a complete set of follow-up data would give a clearer indication on the delivery of sustainable outcomes for the long-term unemployed.
