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

COUNCIL RECOMMENDATION (EU) 2016/...

of ...

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) The unemployment rate in the Union increased to a historically high level following the 2008-2009 financial and economic crisis. It is currently decreasing, but long-term unemployment remains very high. Long-term unemployment affects each Member State to a different extent, particularly as the impact of the crisis has been uneven and the macroeconomic situation, economic structure and functioning of the labour market vary from one Member State to another.
- (2) After years of subdued growth and low job-creation, in 2014 long-term unemployment, defined by Eurostat as the number of people who are out of work and have been actively seeking employment for at least a year, affected more than 12 million workers, or 5 % of the active Union population, 62 % of whom had been jobless for at least two consecutive years.
- (3) Long-term unemployment is affecting the persons concerned, lowering the potential growth of Union economies, increasing the risk of social exclusion, poverty and inequality, and adding to the costs of social services and public finances. Long-term unemployment leads to a loss of income, an erosion of skills, a 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. A person's previous occupation also plays an important role, as in some countries 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 persons in the Union become discouraged and fall into inactivity as a result of unsuccessful job-search efforts. As the 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 number of unemployed persons in the Union 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 and 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 to reduce the number of newly unemployed persons. To this end, the modernisation of education and training systems should be pursued in line with the European Semester, the Council Conclusions of 12 May 2009 on a Strategic Framework for European Cooperation in Education and Training (ET 2020)¹ and Recommendation 2006/962/EC of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning².
- (8) With a view to developing a coordinated strategy for employment, the 2015 Guidelines for the employment policies of the Member States³ 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.

¹ OJ C 119, 28.5.2009, p. 2.

² OJ L 394, 30.12.2006, p. 10.

³ Council Decision (EU) 2015/1848 of 5 October 2015 on guidelines for the employment policies of the Member States for 2015 (OJ L 268, 15.10.2015, p. 28).

- (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 effective and efficient education and training systems that raise the skill level of the workforce. The guidelines also specifically call on Member States to encourage work-based learning systems such as dual learning and to upgrade professional training. The guidelines more generally request Member States to take into account flexicurity principles and to strengthen active labour market measures by increasing their effectiveness, targeting, outreach, coverage and interplay with income-support and social-service provision.
- (10) The actions proposed in 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) Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market¹ sets out an integrated, comprehensive strategy for the active inclusion of those excluded from the labour market, combining adequate income support, inclusive labour markets and access to quality services. It aims to facilitate the integration into sustainable, quality employment of those able to work and to provide them with resources which are sufficient to live with dignity.

¹ OJ L 307, 18.11.2008, p. 11.

- (12) The European Social Fund is the 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, such as 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, the 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 Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning¹ calls for action to offer individuals the opportunity to demonstrate what they have learned outside formal education and training.
- (14) The European Council Conclusions of 14-15 March 2013 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.
- (15) Long-term unemployment has been identified by the European Parliament as a major impediment to growth.

¹ OJ C 398, 22.12.2012, p. 1.

- (16) Intensified labour-market integration efforts for those most severely affected 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 persons 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 long-term unemployed persons 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 those persons to reach clear goals leading to employment.

- (19) Employer involvement in the integration of long-term unemployed persons 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 social partners. Stronger employer engagement, complemented by measures to reinforce job-creation in the economy, may further increase the effectiveness of integration measures.
- (20) Recent policy initiatives such as the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee¹ call for working in partnership as a new method for the implementation 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) Drafted to reflect the individual situation of a long-term unemployed person, a job-integration agreement should detail a package of individualised measures available at national level (such as those concerning the labour market, education, training and social support services) designed to support and empower a long-term unemployed person in overcoming specific obstacles to employment. Such agreements should define goals, timelines, the obligations of the long-term unemployed person and the service provider's or service providers' offer, and should indicate available integration measures.

¹ OJ C 120, 26.4.2013, p. 1.

- (22) The actions proposed in this Recommendation should take into account the diversity of the Member States and their different starting points as regards the macroeconomic situation, the level of long-term unemployment as well as its fluctuation rate, the institutional set-up, regional differences and the capacity of the various labour-market players. Those actions should complement and reinforce the policy approach currently implemented by many Member States, in particular by introducing flexible components such as the individualised approach and coordinated service provision, and by involving employers.
- (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,

HEREBY RECOMMENDS THAT MEMBER STATES:

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

Provide individual assessments to registered long-term unemployed persons.

Make a specific offer of a job-integration agreement at the very latest when a long-term unemployed person has reached 18 months of unemployment. For the purposes of this Recommendation, a 'job-integration agreement' is understood to be a written agreement between a registered long-term unemployed person and a single point of contact, having the objective of facilitating that person's transition into employment on the labour market.

To that effect:

Registration

- (1) Encourage the registration of jobseekers with an employment service, in particular through improved provision of information 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 persons 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 registered long-term unemployed persons 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

Registered long-term unemployed persons 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) Target the specific needs of registered long-term unemployed persons by means of a job-integration agreement which 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 person. Depending on the availability in the Member States and based on the individual circumstances of the registered long-term unemployed person, the job-integration agreement could include: job-search assistance and in-work assistance; the 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; and housing and transport support.
 - (c) The job-integration agreement should be regularly monitored in the light of changes in individual situation of the registered long-term unemployed person and, if necessary, it should be adapted to improve that person's transition into employment.
- (5) Put in place the necessary arrangements to ensure continuity and identify a single point of contact responsible for supporting registered long-term unemployed persons through a coordinated service offer involving available employment and social support services. This point of contact 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 persons' 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 long-term unemployed persons.

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 registered long-term unemployed persons.
- (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 registered long-term unemployed persons.
- (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 registered long-term unemployed persons.

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 with regard to 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 registered long-term unemployed persons 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 should contribute to this monitoring.
- (10) Encourage the assessment of public employment services' performance in relation to the labour-market integration of registered long-term unemployed persons, the sharing of experience and the exchange of good practices under the benchlearning process of the European Network of Public Employment Services, established under Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services (PES)¹.
- (11) Cooperate 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 the relevant investment priorities for the 2014-2020 programmes.

HEREBY RECOMMENDS THAT THE COMMISSION:

¹ OJ L 159, 28.5.2014, p. 32.

- (12) Support and coordinate voluntary initiatives and alliances of companies engaged in the sustainable integration of long-term unemployed persons into the labour market.
- (13) Support social innovation projects to integrate long-term unemployed persons into the labour market, in particular through the Progress section of the 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 ...* on the results of that evaluation.

Done at ...,

For the Council

The President

* OJ: please insert the date: 3 years after the adoption of this Recommendation.