



Europe takes steps to tackle long-term unemployment

by Elena Prodi

«Long-term unemployment is one of the most difficult and acute challenges caused by the economic crisis», commented Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility. In 2014, in Europe more than 12,1 million people have been unemployed for over a year. Their number doubled between 2007 and 2014, accounting for about 5% of the active population today. This trend is of particular concern, considering that about the half of jobseekers have been jobless for more than 12 months. Data show that a significant share of employment losses during the crisis became permanent, making long-term unemployment a structural element of the European labour markets.

On September the 17th, the European Commission has proposed guidance to the Member States to better help long-term unemployed to re-enter the labour market. Over the next 7 years, the [Commission's proposal](#) aims at lowering by 5 million the number of jobseekers who have been out of work for more than 12 months. The initiative draws on best practices gathered by member States on ALMPs and integrated services to unemployed. The European Commission proposes specific actions to decrease the mismatch between labour demand and supply, remove structural barriers to labour market integration, enhance service provision and expand active coverage,

Notably, this recommendation follows a three-steps approach similar to the one of the Youth Guarantee. Indeed, the proposal puts forward three concrete steps to enhance labour market integration:

- Encourage registration with an employment service;
- Assess individual needs and potential of the long-term unemployed before reaching 18 months of unemployment;
- Offer a job integration agreement to the long-term unemployed at the latest when they have reached 18 months of unemployment.

The job integration agreement is a written agreement between the unemployed person and a single point of contact offering a personalised plan tailored to individual needs for return to work. Depending on the measures available at national level, the agreement will foresee the provision of public services such as mentoring, job search assistance, training, work experience, debt counselling, rehabilitation, housing and transport support, child and health care services, migrant integration support. Furthermore, it will spell out mutual rights and obligations both for the organisations involved and the beneficiary.

Moreover, the European Commission calls on Member States to reform the governance of the ALMPs. In fact, the proposal promotes an institutionally coordinated offer of service delivery, in the form of a single point of contact. This practice will improve the monitoring of the labour market institutions and the assessment of jobs search activities. The creation of a single point of personal contact will ensure continuity of the support offered to long-term unemployed. It could be set up through inter-institutional cooperation and organisation, including different agencies such as public employment services, social services and regional or local authorities. The primary function of this tool is linking the offer of support services and ALMP measures to the needs and objectives of jobseekers. Best practices in Germany, UK and Denmark confirm that establishing one single point of contact has positive effect on extension of both registration and coverage of employment services.

The Commission's proposal also calls for «*the active involvement of employers and social partners through partnerships with the public authorities*». Activation measures should be integrated with employer engagement strategies to increase transition to work for unemployed of longer duration. Well-designed financial incentives, such as recruitment subsidies or scheme supporting direct integration, could be attractive instrument contributing to increase employers' participation and strengthen the demand-side approach.

ESF funding will support the implementation of the proposal. Additional funds under the European Regional Development Fund (ERDF) and the European Agricultural Fund for Rural Development (EAFRD) may also support the objectives of the initiative. In addition to the measures financed by the ESF, ERDF and EAFRD can support investments in infrastructures for employment services, training and lifelong learning programmes, self-employment and *starts-up*.

Long-term unemployment is one of the key challenges of the economic and social agenda of the Juncker Commission. Taking lessons from the introduction of the Youth Guarantee across Europe and recognising the relevance of an EU level policy response, the Commission's proposal on long-term unemployment supports action at national level and gives a stronger political signal to Member States. According to the [Commission Staff Analysis](#), workers with low skills or qualifications and third country nationals are more likely to stay out of work for over a year. Persons with disabilities and disadvantaged minorities also experience long-term unemployment. People affected by long-term unemployment are a rather heterogeneous group, therefore personalised services should be adopted to overcome multiple barriers to reintegration in the labour market. Nonetheless, «*the initiative should be aligned with already existing policy instruments and resources in order to build synergies and ensure consistency*».

As anticipated, the Commission's proposal systemises the best practices found on a European level. The Italian government has also moved along these lines: from the Treu law of 1997 to the recent *Jobs Act*, it has on several occasions made attempts to modernise labour services. The principles and lines of action have in fact been known for some time, following those laid down by *flexicurity*. However, the problem in Italy and in other South European countries remains that of

how to implement them in concrete terms in the actual labour market. In other words, the direction has been clear for some time, although the implementation of the Youth Guarantee plan has once again recently shown that the passage from norm to praxis is a complicated one, and one that requires a cultural shift as well as a managerial one which has yet to come.

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