

## **PES Network Working Group recommendations on the integration of the long-term unemployed into the labour market**

### **Background**

The PES network Board agreed at its June 2015 Riga meeting to convene a Working Group to explore the issues for PES in supporting the recommendation on the integration of the long-term unemployed into the labour market. On 28<sup>th</sup> September 2015, ten Member States (UK, CZ, FR, DK, BE, FI, ES, SI, PL, HR) met for a workshop, chaired by UK, to discuss practical, operational steps that can be taken to help improve the situation of the long-term unemployed across the European Union.

### **Long term unemployment across the European Union**

Currently, across the European Union there are 12 million (5% of active population) unemployed for more than one year. This is 50% of the overall number of people unemployed and, since 2008, long term unemployment has increased in all Member States except for DE. The LTU rate is above 10% among people with low qualification and third country nationals. Yet only 20% of expenditure on active measures is directed towards those who are LTU, in spite of the large proportion of the overall unemployed that LTU accounts for.

The response to the issue of LTU varies across Member States but it is recognised that the Council's recent recommendation of three areas to focus on (registration, individual assessment and a job integration agreement) are crucial steps in supporting people to get back to work. To take this further, the working group looked at four key principles that could underpin these areas:

- The design of Individual Action Plans (IAPs)
- Provision of single points of contact
- Employer services
- Early intervention and prevention

### **Individual Action Plans**

The working group believes that IAPs are a vital step in engaging jobseekers and establishing their commitment to actively look for work in return for unemployment benefits and support from the PES. When designed well, they can provide the LTU with a tailored framework that places all required actions of the jobseeker in one single place. IAPs can provide more structure and rigour, which might have previously been lacking, to their job seeking. However, for an IAP to be effective there are a number of design principles that should be adhered to. Therefore, IAPs should:

- Be tailored to the individual and be able to take into account the needs and circumstances of each jobseeker;

- Be a clear contract between the jobseeker and the PES, making the roles of both sides visible and understandable. It should also be clear what the consequences are if the jobseeker does not fulfil their part of the IAP;
- Be a living and dynamic document that is regularly updated and reflects the changing needs of the jobseeker and new opportunities in the labour market. It should not be static and should be the focal point of all conversations between the jobseeker and the PES;
- Involve a roadmap that outlines the future progression of the jobseeker, detailing the journey required for them to move into work or to gain the required skills that enables them to move closer to the labour market;
- As we look to the future, IAPs should make all possible use of wider government data to inform them and should look to co-ordinate with other action plans that the jobseeker might be following. However, it is important to remember that the IAP should always reflect the current picture and not just the history of the jobseeker – it is a forward looking document;
- Behavioural insight should also play a part in shaping how we use IAPs and some Member States are already leading the way in this regard.

### **Provision of single points of contact**

Across the European Union, there is a wide range of approaches towards providing single points of contact for the LTU. Several Member States provide a one stop shop service; others use partnerships and share data to good effect, whilst some do not currently provide any form of a single point of contact. Part of the challenge to provide this contact include aspects that are more difficult for the PES Network to influence, such as geographic issues or the current system design of local authorities/municipalities. Yet more can be done to overcome these, and other, issues and the Working Group outlined the following points:

- One stop shops do not need to be a physical building – the right information, guidance and support can be provided in a virtual way;
- Such a single point of contact can usefully (but does not necessarily need to) provide one-to-one individualised case handling with one stable case manager;
- The key partners that need to be involved in delivering a SPOC service include the PES, wider central government, regional authorities, local/municipal authorities, employers and charities and NGOs dealing with social issues;
- To enable these partnerships or networks to be effective, two crucial issues must be resolved at an early stage; data sharing and funding. It is also essential that the network retains a focus on the customer and that they understand the demographics of the area they are dealing with;
- Where partnerships already exist, financial (or other) incentives from the PES can be used to shift the focus onto the LTU if required;
- Strong frameworks need to be put in place to measure the success of these networks, to ensure they are effectively coordinated and delivering for their customers;
- The move to a more 'local' response is a positive step – it allows for those who know more about their local areas to take control over provision and contracts that can deal with particular issues that exist in that area. This may require reinforced cooperation between central, regional and locally managed services. Many Member States have been exploring models of giving some responsibility over LTU to municipalities, and incentivising them to step up to take control over the issue.

### **Employer Services**

Employer engagement is a large part of enabling the LTU to move back into, or at least closer to, the labour market. As overall employment rates improve across many Member States, the supply of readily available jobseekers is shrinking and employers need to work in close alignment with their

respective PES to find the employees they need. This is creating new opportunities for the LTU but PES should be advised to think about the following to maximise this opportunity:

- Working closely with employers to understand their needs and provide training and support to match the LTU with the opportunities that are available. If possible, target specific sectors throughout the year with campaigns to raise awareness of opportunities in a particular industry;
- Build co-operation in local areas to ensure that contracted out work on major projects, such as big public sector led infrastructure developments, involve the employment of LTU;
- Add extra value as the PES by working more like a recruitment agency to deliver an enhanced ranged of services such as pre-screening of candidates, placement and post-placement support and work-based training;
- Build greater understanding of where labour shortages exist in the domestic labour market and create greater support to deliver the skills required for these jobs to the LTU;
- Make use of employer's growing need to provide Corporate Social Responsibility through opportunities for engaging the LTU with work experience, work trials and volunteering;
- Where appropriate, enable targeted financial incentives, such as carefully designed subsidies, to promote the employment of the LTU. However, these subsidies need to be closely managed to ensure they are having the desired impact;
- Use employers who support the employment of the LTU as advocates to build awareness and understanding amongst other businesses;
- Make greater use of working with the private sector (PRES) to deal with the issue of LTU, including through the contracting out of job seeking support services, training and work experience;
- Establish partnerships with NGOs in order to create and deliver services such as workshops, job-clubs, coaching and counselling, which are aimed at providing additional support in developing competencies and skills needed in the labour market in order to improve employability;
- Use PES resources to break down any existing barriers to employment, such as issues like language skills, ability to travel to work or location, and reasonable adjustments for jobseekers with disabilities;
- Influence the way employers recruit and challenge methods that promote the chances of others above those who are LTU.

### **Early Intervention**

Prevention being better than cure was a clear message from all Member States in the working group. By providing greater levels of support at an early stage, targeted at those who hold the characteristics that are more likely to lead them to become LTU, PES can break the cycle of unemployment at an earlier point. Ways to deliver on prevention include:

- Allow PES staff to build up relationships with the jobseeker so that consistent and on-going support is provided throughout their journey with the PES. Practically this means making sure that, as often as possible, the jobseeker sees the same advisor every time they interact with the PES. This mature relationship will also help to ensure that the "rights and responsibilities" agenda suggested in the Recommendation can be best achieved;
- Understanding the jobseeker's needs from day one, including training needs in basic and vocational skills. This can allow the PES to identify who is capable of finding employment without intensive help and thus create the capacity for PES staff to provide more intensive support for those who need it;
- Use data to build up an enhanced understanding of the characteristics of those likely to become LTU to aid earlier intervention;

- Build greater networking relationships with the relevant education system including through using PES resource to help children and young adults understand the local labour market and the skills required for different roles, enabling career planning.

### **Mutual Learning Events**

To help the PES Network deliver on these recommendations, mutual learning events will be established to focus on two critical areas:

- Local delivery - An effective local focus, including good links with both municipal services (such as social support and debt counselling) was crucial and a local employment focus the most likely means of successfully reintegrating LTU. Better coordination between central, regional and local levels can reinforce such focus.
- The design of IAPs to fulfil the requirements as set out above and drive the re-integration of the LTU.