

## **Opinion of the German Association on the European Commission's Proposal for a Council recommendation on the integration of the long-term unemployed into the labour market**

The opinion (DV 27/15) was adopted on 23 November 2015.

**Deutscher Verein für öffentliche und private Fürsorge e.V.  
(German Association for Public and Private Welfare) – the forum for  
the social sector since 1880.**

The German Association for Public and Private Welfare (Deutscher Verein für öffentliche und private Fürsorge e.V.) is the joint forum of local governments and social welfare organisations and their institutions in Germany, the federal states (Länder) and representatives from science and academia for all fields of social work and social policy. Through its expertise and experience, it monitors and shapes developments in child, youth and family policy, social and old people's welfare, basic social security provision, care and rehabilitation.



Deutscher Verein  
für öffentliche  
und private Fürsorge e.V.

# Contents

<b>I. Fundamental considerations</b>	<b>3</b>
<b>II. Regarding individual proposals by the European Commission</b>	<b>5</b>
1. Frameworks for personalised guidance	5
2. Group-specific services	6
3. Shared responsibility	7
<b>III. Concluding remarks</b>	<b>8</b>

## I. Fundamental considerations

This opinion is addressed to the European Commission, the EU Council and the German Federal Government with respect to its activities in the EU Council. It refers to the Commission's proposal for a Council recommendation, the adoption of which is planned as part of the Council meeting (employment, social policy, health and consumer protection) on 7/8 December 2015.

The German Association for Public and Private Welfare appreciates that the European Commission is devoted to supporting EU Member States in their activities to reintegrate the long-term unemployed into the labour market<sup>1</sup>. The German Association agrees with the Commission's assessment that long-term unemployment runs the risk of causing social exclusion, poverty and inequality, including an increased pressure on social spending and budgets. As the European Union is a common socio-economic space where economic and social problems have an impact on other States, the promotion of labour market integration in the various Member States also contributes to a "highly competitive social market economy, aiming at full employment and social progress"<sup>2</sup>.

For Germany, it must be pointed out that the relevant measures in the proposal have not only been the law for over 10 years, but are also regulated much more stringently. For instance, the proposed individual assessment for the reported long-term unemployed is carried out at the very beginning and not merely after 18 months. The same applies to the proposed completion of job integration agreements for the reported long-term unemployed. It is therefore important and correct that the proposal contains sufficient flexibility to accommodate national responsibilities in an appropriate manner.

The German Association welcomes that with this proposal the Commission is responding to the need for action to combat long-term unemployment resulting from the financial and economic crisis, amongst other issues. The German Association provided an early warning of the in some cases considerable risks of poverty and social exclusion as a result of the crisis<sup>3</sup>. The German Association reiterates that the Europe 2020 goal for reducing poverty should continue to be pursued by Germany and Europe. The job integration of the long-term unemployed into the labour market can make a fundamental contribution to reducing poverty.

Based on the existing structures of the employment services and the labour market in Germany, as well as the practical experience gained, the German Association has formulated the following recommendations to the Council to support the opportunities for reintegrating the long-term unemployed in Member States. The German Association emphasises that the specific conditions and the Member States' specific structures of the labour markets should be consid-

Your Deutscher Verein  
contact is:  
Anke Böckenhoff.

1 Proposal for a Council recommendation to reintegrate the long-term unemployed into the labour market, COM(2015)462 final, 17/09/2015, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0462&rid=2>, 21 October 2015.

2 Article 3 TEU.

3 Sozialpolitische Erwartungen des Deutschen Vereins an die Europäische Union", available at <https://www.deutscher-verein.de/de/empfehlungen-stellungnahmen-2013-sozialpolitischen-erwartungen-des-deutschen-vereins-an-die-eu-1179.50.1000.html>, 21. Oktober 2015.



ered. Implementing the Council Recommendation must not lead to a reduction or in any way call into question the existing standards in Member States.

The German Association recommends that the Council increases its focus on creating frameworks for personalised guidance for the long-term unemployed as well as encouraging Member States to develop group-specific services and to consider the integration of the long-term unemployed as the responsibility of society as a whole. In addition, the German Association calls on the Commission and the Council to deal with aspects of efficiency and cooperation between labour and welfare services, qualification and prevention, as well as the opportunities of a social labour market ("Sozialer Arbeitsmarkt").

The Council should emphasise that the objectives proposed by the Commission can only be seen as a first step. Therefore, the German Association recommends measures to the Council and the Commission:

- *High quality employment:* The German Association regrets that the proposal does not contain any indication as to the quality of employment that will be gained for the long-term unemployed. The German Association points out that the increase in labour market participation through precarious working conditions does not meet the objective of social security<sup>4</sup> and can therefore not make a sustainable contribution to combating poverty. In particular short-term employment or labour market policies that do not lead to medium and long term employment, may reduce the rate of long-term unemployed, but do not change the situation of the individuals in a sustainable way. All efforts towards sustainable integration in employment must be aligned, leading to independence from benefits to achieve secure and decent subsistence levels<sup>5</sup>. Opportunities for advising and supporting new employees must be established also after job integration. This is a necessary condition for sustainable employment and would greatly increase the willingness of employers to offer employment to the long-term unemployed.
- *Social services:* The German Association welcomes the Commission's proposal to include social services in its support measures for the long-term unemployed. However, the German Association points out that it is precisely due to the financial and economic crisis in many Member States that the funding of social services has come under severe pressure, such that their availability is in some cases not secured. To facilitate integrated social services in support of the long-term unemployed a reliable financial basis for social services is required. The German Association stresses the need to develop the infrastructure of social services for promoting employment and integration into the labour market.<sup>6</sup>
- *Qualification of the long-term unemployed:* In its proposal, the Commission refers to the European Semester and the Employment Guidelines, stressing the need to reduce skills shortages. However, the Commission does not propose any concrete measures for training the long-term unemployed. According to the Commission it is, however, people with low skills or qualifications

4 Stellungnahme des Deutschen Vereins „Sozialinvestitionen für Wachstum und sozialen Zusammenhalt“, NDV 2013, p. 298.

5 Stellungnahme des Deutschen Vereins zum Nationalen Reformprogramm 2012, NDV 2013, p. 64.

6 See footnote 4.

who make up the long-term unemployed. The German Association therefore suggests expanding the action plan to include training opportunities, not only for the duration of unemployment, but also beyond, for the initial period in new employment.

- *Specific groups of the long-term unemployed:* The Commission identifies four groups that are affected by long-term unemployment in particular (people with low skills or qualifications, third country nationals, persons with disabilities and disadvantaged minorities such as the Roma). The German Association points out that this list can be extended to certain other groups, depending on the situation in each Member State, for example, to the group of single parents (women)<sup>7</sup>.

## II. Regarding individual proposals by the European Commission

The proposals of the Commission contain “guidance on service delivery in order to increase the rate of transition from long-term unemployment to employment”<sup>8</sup>, which are divided into four fields of action:

- (1) Encourage registration with an employment services
- (2) Individual assessment and approach
- (3) Job integration agreements<sup>9</sup> with a single point of contact and including an individual service offer
- (4) Closer cooperation with employers

The European Commission is proposing to offer this “at the latest when they have reached 18 months of unemployment”<sup>10</sup> for both the individual review as well as for the job integration agreements. This point in time is too late from the perspective of the German Association. We therefore call for earlier action.

### 1. Frameworks for personalised guidance

The Commission’s proposed job integration agreements should contain a personalised range of services and the appointment of a single point of contact. The Commission’s proposal contains the legal integration of a single point of contact for providing continuous advice. The German Association points out that while guidance from a single source is faster and more effective for providing support, this can only succeed if access to more specialist services remains available.<sup>11</sup> The success of continuous guidance is also dependent on considering the interfaces between different jurisdictions and authorities and their roles, competencies, functions and responsibilities, as well as on optimising this coordination in the interests of the long-term unemployed.

<sup>7</sup> See „Empfehlungen des Deutschen Vereins zur Verbesserung der Erwerbsintegration von Alleinerziehenden“, NDV 5/2015, p. 193.

<sup>8</sup> See footnote 1.

<sup>9</sup> “The job integration agreement consists of a tailor-made offer of intervention combining measures provided by different organisations (employment services, education and training, social services) and spelling out mutual rights and obligations. It will be offered to all long-term unemployed outside the remit of the Youth Guarantee unemployed at the latest when they have reached 18 months of unemployment”, COM(2015)462 final.

<sup>10</sup> See footnote 1.

<sup>11</sup> See footnote 4.

The Commission proposes that the job integration agreements contain personalised services, which combines the services and activities of various organisations. In addition to assistance finding employment, the examples cited include rehabilitation, child and care services or debt counselling. The German Association welcomes the involvement of social services, but also emphasises that this list is not exhaustive and further offers of assistance should be included depending on the individual situation and needs of the long-term unemployed.

The German Association particularly welcomes the concept of personalised guidance. In cases where there are many obstacles and multiple problems, in particular, the need for a tailor-made personalised concept increases.

In addition, the Commission proposes the regular review of the job integration agreement as well as its adaption in order to ensure tailor-made support. The German Association also advocates this requirement in Member States and adds that Member States should be called on to create the necessary conditions which enable individual, case-by-case guidance:

- *Personnel resources*: An adequate ratio between counsellor and unemployed is essential for the implementation of a comprehensive support that recognises the individual needs for assistance and that mediates the relevant social services<sup>12</sup>.
- *Counsellors' qualification*: It is required to have a time-consuming examination of the problems and capabilities to ensure that counsellors can recognise multiple problems or specific needs for advice. As a precondition the counsellors need to be properly trained<sup>13</sup>.

## 2. Group-specific services

The backgrounds to long-term unemployment are diverse, with reasons sometimes being individual and/or structural. Accordingly, the chances of successful integration also vary by region because of structural differences in the labour markets. The Commission's proposal includes basic measures for the integration of the long-term unemployed, which allow flexible implementation and adaptation to local conditions. The German Association calls on the Member States to take advantage of this flexibility, to avoid a one-size-fits-all concept and to develop group-specific services instead:

- *Social labour market ("Sozialer Arbeitsmarkt")*: On public work schemes, the Commission writes that they "do not always open the pathway back to the labour market [because] employers are generally not sufficiently involved in activities run by employment and social services"<sup>14</sup>. However, the German Association has spoken out in favour of publicly funded employment under the terms of a social labour market ("Sozialer Arbeitsmarkt") under certain conditions. In addition to the involvement of employers, other important conditions have to be observed, such as restriction to a narrow target group,

<sup>12</sup> Empfehlungen des Deutschen Vereins zur Reform der Sanktionen im SGB II, NDV 7/2013, p. 289.

<sup>13</sup> See „Empfehlungen des Deutschen Vereins zu den kommunalen Eingliederungsmaßnahmen nach § 16a SGB II“, NDV 12/2014, p. 489.

<sup>14</sup> See footnote 1.

regular review and, if necessary, adaption of the target group, involvement of social partners, socio-educational support for the unemployed and employers, in some cases even once the activity is complete. For the long-term unemployed who have no immediate prospect of regular employment, for example due to serious barriers to employment such as addiction or mental health problems, and those who are already unemployed for longer, a social labour market with subsidised jobs offer experience with a structured daily routine and though a first step towards job integration.

- *Promotion of employment:* The Commission proposes the creation of financial incentives for employers. The German Association welcomes this idea and indicates that the underlying principle for this idea is to prioritise investments in promoting employment as active labour market measures instead of passive cash benefits. At the same time, the German Association agrees with the Commission's assessment that such aid must be designed carefully in order to avoid a deadweight loss and displacement effects. Previously the German Association has supported<sup>15</sup> publicly funded employment under certain circumstances in order to counteract long-term lack of prospects and missing structures through labour market related employment opportunities. The German Association also recommends including local labour market players when considering employment promotion and to regularly check that subsidised employment continues to be reasonable.<sup>16</sup>
- *Long-term instruments:* The Commission criticises the fact that job integration often can be hampered after one year of unemployment due to a change in responsible authorities and that many unemployment benefits are not granted for longer than one year. The Commission therefore suggests a central point of contact like the ones that already exist in several countries (naming the example of Germany)<sup>17</sup>. The German Association also points out to the Council that the support for the long-term unemployed with multiple problems should not be limited by time, but should continue for at least two years to meet the requirements of specific groups to increase the success of job integration.

### 3. Shared responsibility

The Commission's proposal is aimed at the Member States and calls for "partnerships between employers, social partners, employment services, government authorities and social services"<sup>18</sup>. Similarly, the Commission sees itself as responsible and proposes evaluation measures and financial incentives, among other measures. The German Association welcomes this form of demanding that various stakeholders take responsibility and adds:

---

15 See "Eckpunkte zur Weiterentwicklung der Eingliederungsleistungen im SGB II", NDV 1/2014, p. 1.

16 See footnote 15.

17 Belgium, Czech Republic, Germany, Denmark, Finland, Iceland, Netherlands, United Kingdom, Commission Staff Working Document "Analytical Supporting Document. Accompanying the document "Proposal for a Council Recommendation on the integration of the long-term unemployed into the labour market", SWD(2015) 176 final, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015SC0176&rid=2> (9 November 2015).

18 See footnote 1.



- *Whole society in charge:* The German Association encourages the development of concrete strategies for involving employers in Member States. After all, job integration is not only the sole responsibility of public and non-profit organisations, but society as a whole<sup>19</sup>. This includes the willingness of employers to offer employment to the long-term unemployed.
- *Involvement of the civil society:* The German Association reminds the Council that Member States are not the sole stakeholders in their measures to integrate the long-term unemployed into the labour market. Rather, Member States can build on the knowledge and (practical) experience from civil society, such as from Non-statutory Welfare.
- *Mutual responsibility:* The Commission's proposed definition for fulfilling obligations – both for the long-term unemployed as well as for the point of contact – is generally to be welcomed. The German Association has repeatedly acknowledged that the non-fulfilment of obligations by the unemployed person can be sanctioned. However, it should be emphasised that financial cuts must not endanger livelihoods and health insurance or lead to homelessness.<sup>20</sup> It is also necessary "that the obligations which are agreed, are beneficial for the individual and proportionate as well as aimed at overcoming the need for assistance"<sup>21</sup>.
- *National indicators:* The Commission proposes that the employment committee should "draw up a set of monitoring indicators and guidelines for national evaluations, including a reporting mechanism"<sup>22</sup>. In this context, the German Association emphasises the high relevance of such indicators. The Council should encourage Member States to demonstrate their progress to combat long-term unemployment – regardless of the national quota for long-term unemployment.
- *Use of EU instruments:* The Commission proposes reporting on experiences to the Council up to three years after the adoption of the recommendation. To track the progress of combating long-term unemployment, the German Association also encourages the Commission to consider the progress made in the Annual Growth Survey and in the country specific recommendations in compliance with the principle of subsidiary. The German Association calls for a stronger commitment from Member States to adopt national integration strategies into their national reform programmes<sup>23</sup>. This also includes measures to combat long-term unemployment.

### III. Concluding remarks

The European Commission has drawn up a proposal in accordance with the call from the Council<sup>24</sup> to support the long-term unemployed. The German Association regrets that the Commission is in some areas still lagging behind the

<sup>19</sup> See footnote 15.

<sup>20</sup> See footnote 11.

<sup>21</sup> See footnote 11.

<sup>22</sup> See footnote 1.

<sup>23</sup> See footnote 4.

<sup>24</sup> 6147/2015, available at <http://register.consilium.europa.eu/doc/srv?f=ST+6147+2015+INIT&l=de>, 21 October 2015.





Conclusions of the Employment Committee. In particular, the Council deemed it necessary to reduce long-term unemployment “through [...] make work pay measures, and by investing in human capital as well as tailor-made active labour market policies and integrated social services”<sup>25</sup>. Unfortunately these measures were not emphasised clearly enough in the Commission’s proposal.

The issue of the use of European funding by Member States also remains largely unexplained. On the one hand, the Commission cites support via the “EU Programme for Employment and Social Innovation (EaSI)” with which “social innovation projects to integrate the long-term unemployed into the labour market”<sup>26</sup> can be funded. The German Association emphasises that the EaSI programme focuses on social policy experimentation and social innovation and thus structural reforms to improve the job integration of the long-term unemployed can hardly be achieved through EaSI tenders. Furthermore, the Commission cites the European Structural and Investment Funds, and in particular the European Social Fund (ESF), as funding approaches. As long as the job integration of the long-term unemployed is included in the Operational Programmes that have already been decided, the German Association welcomes this approach. Nevertheless, the German Association draws attention to the fact that the ESF is intended merely to provide additional funds by which innovative projects can be supported, but not as a replacement for necessary financing.

Ultimately, the opportunities offered by the European Fund for Strategic Investments (EFSI) for measures of social infrastructure, should also be exploited with the necessary vigour for the integration of the long-term unemployed into the labour market.

---

25 See footnote 24.

26 See footnote 1.



## **Legal notice**

Published by:

Deutscher Verein für öffentliche und private Fürsorge e.V.

Michael Löher, Vorstand

Michaelkirchstr. 17/18

10179 Berlin

Germany

[www.deutscher-verein.de](http://www.deutscher-verein.de)

[info@deutscher-verein.de](mailto:info@deutscher-verein.de)