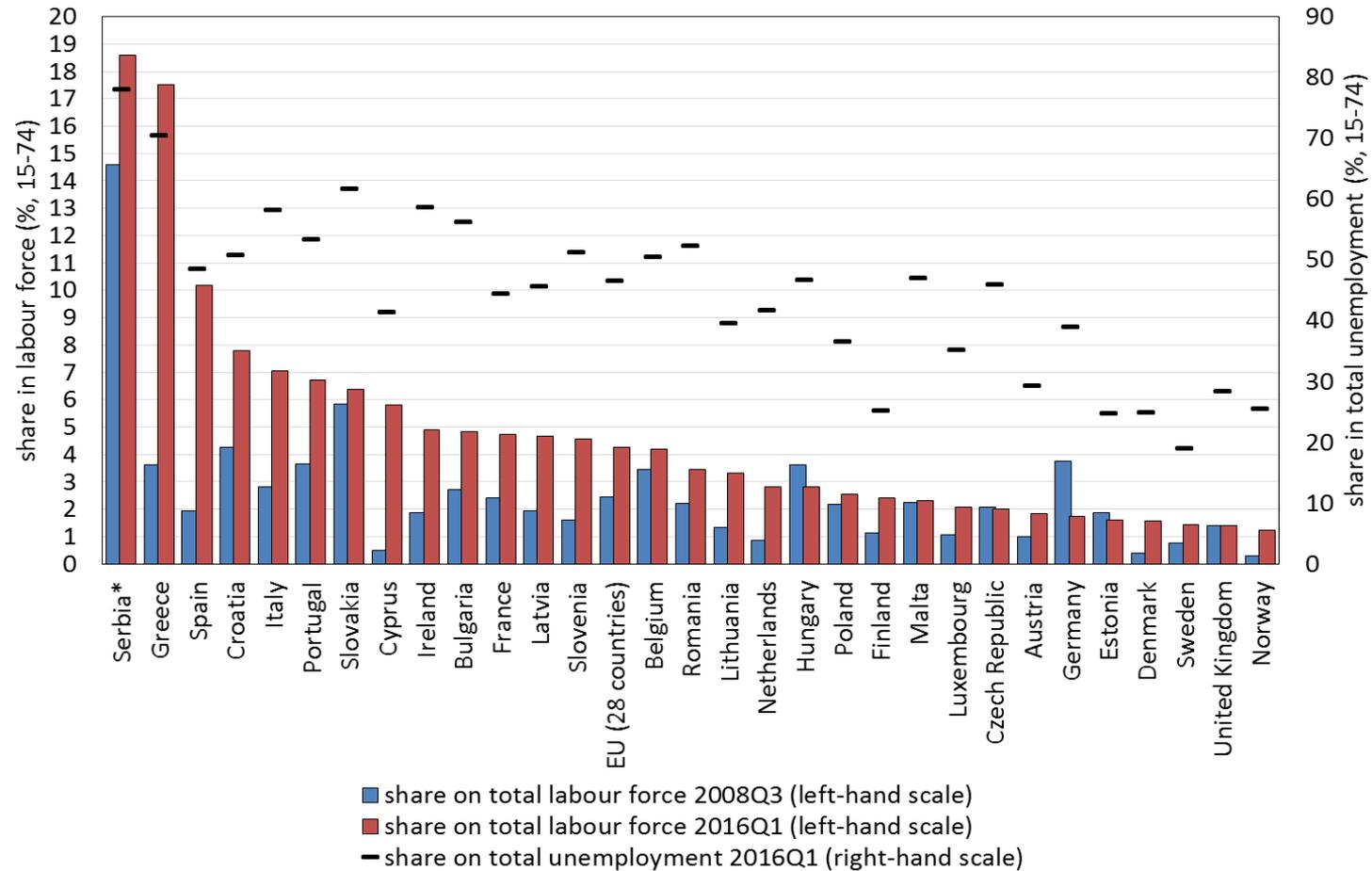


How to tackle long-term unemployment? Policy trends in Europe

Peer Review on 'Approaches to integrate long-term
unemployed persons'
Berlin (Germany), 13 - 14 October 2016

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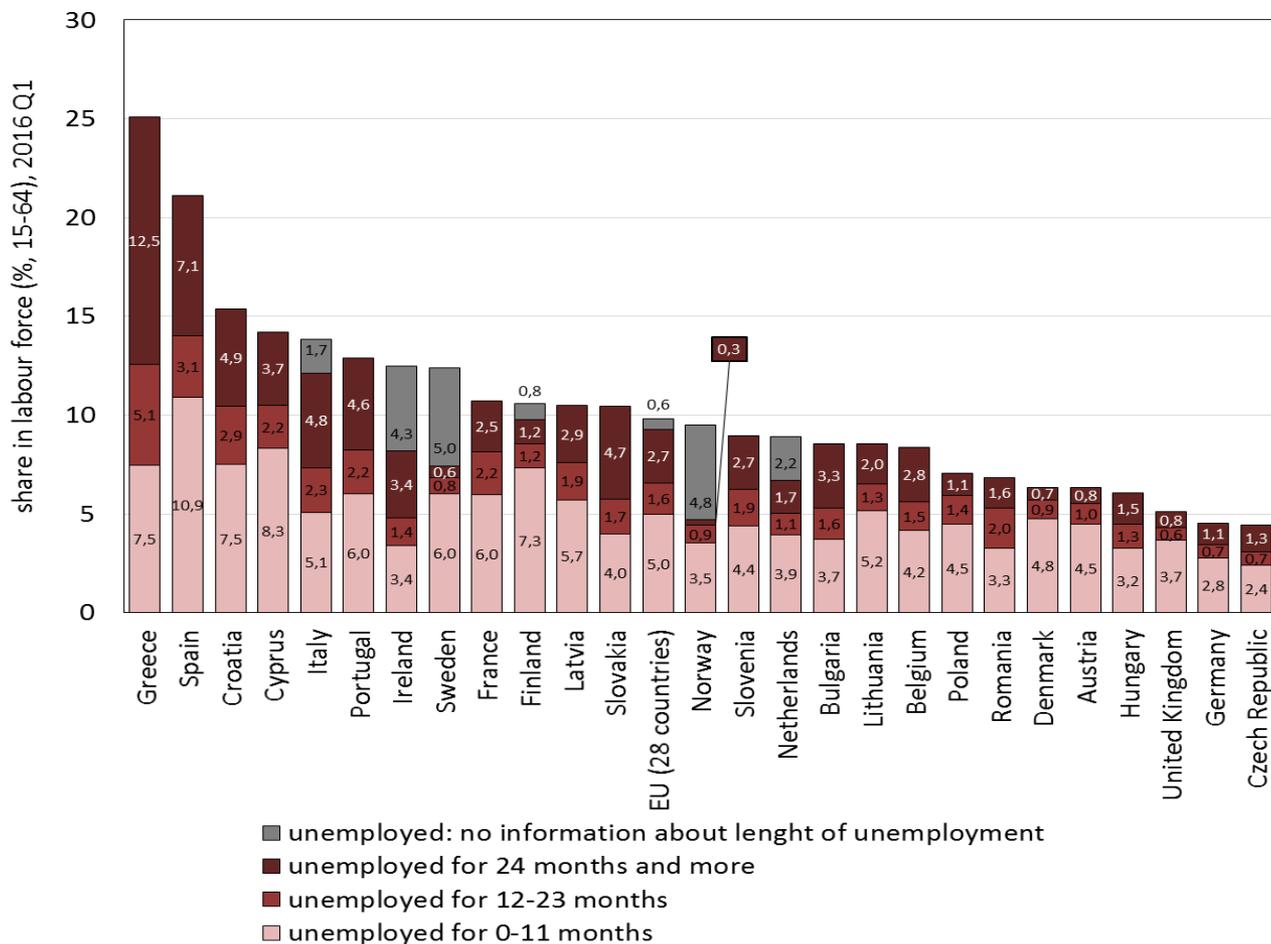
Long-term unemployment rate and incidence in 2008/Q3 and 2016/Q1 in EU-28, Norway and Serbia



* Serbia: no current LFS data; 2007 (instead of 2008Q3; age 15+) and 2012 (instead of 2016Q1; age 15-73)

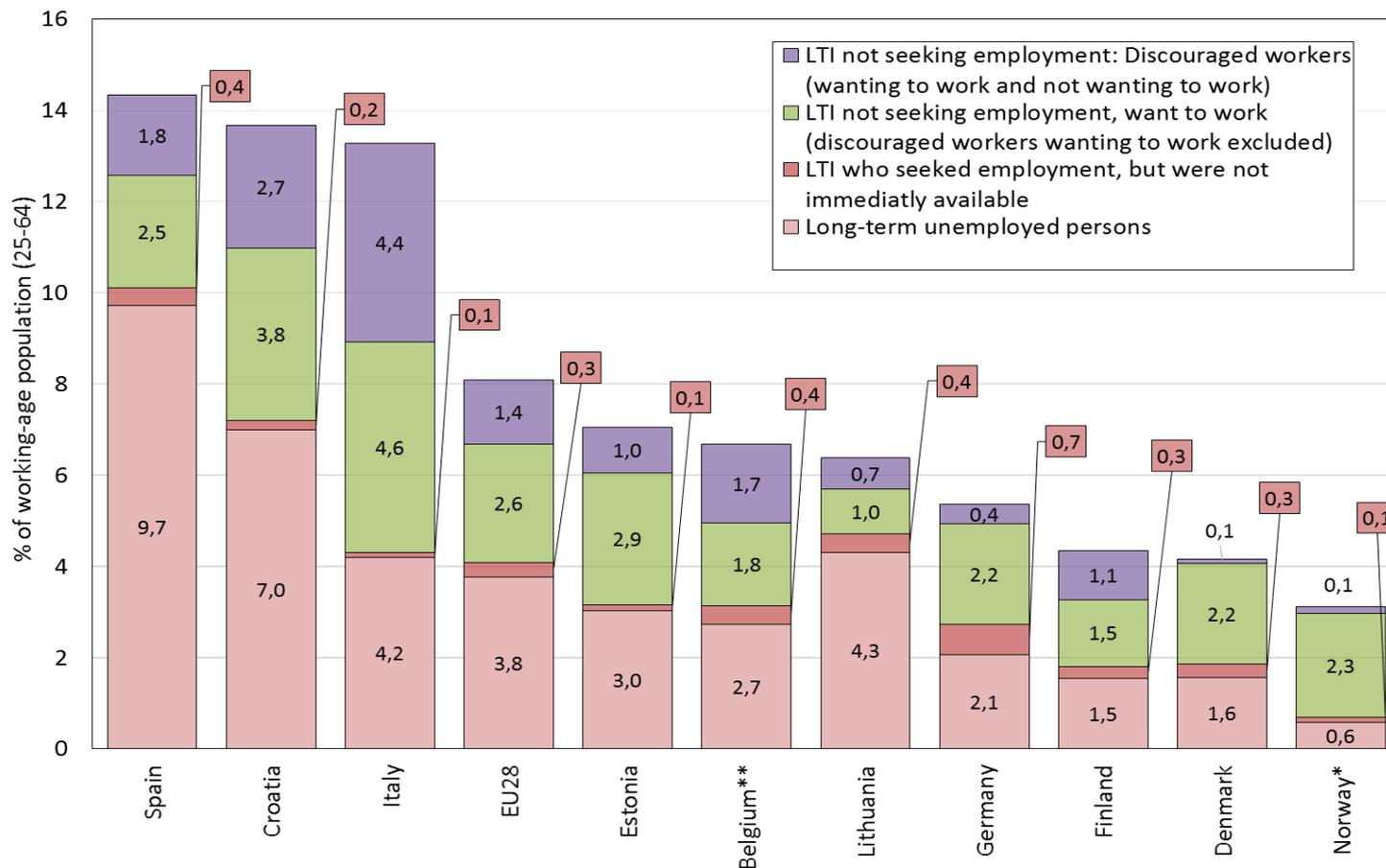
Source: Eurostat, LFS

Unemployment rate by duration of unemployment, 2016/Q1, EU-28 and Norway



Source: Eurostat, Estonia, Luxembourg, Malta: Data only partially available. Serbia: No data.

Long-term unemployed and inactives with a labour market orientation, 2013



Source: Eurostat microdata, own calculations., in: Duell et al. 2016

Results presented in this report are based on data from Eurostat, specifically the Labour Force Survey LFS and EU-SILC. We wish to thank Eurostat for the provision of the data under the project 143/2015-AES-LFS-EU-SILC.

Multiple risks

Low labour demand

- Low employment growth in countries most severely hit by the economic crisis (macro)
- Prejudices *vis à vis* some groups at risk (e.g. older unemployed) (micro)

Economic restructuring and skills mismatch

- During recovery economic restructuring is speeded up
- Low-skilled are at highest risk of LTU;
- LTU with an intermediary skills level a large group.

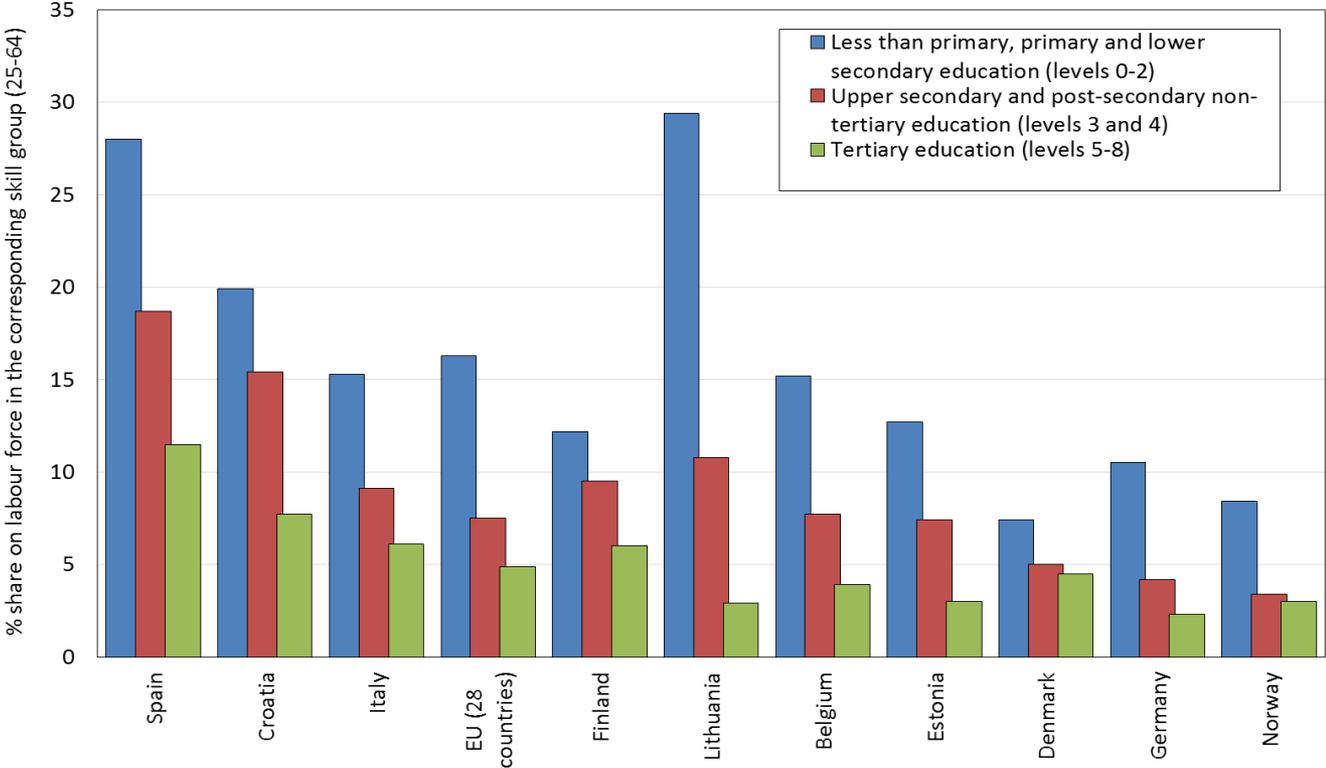
Supply-side reasons and multiple employment barriers

- Multiple personal employment barriers, e.g. weaker social network, substance abuse, bad health, financial debt, unstable working biographies of men, lacking self-confidence. Their relative share among all LTU might be higher in countries with a lower LTU rate.
- Age

Institutional settings

- Out-of-work benefits (depending on combination of generosity and activation requirement, pathways between systems)

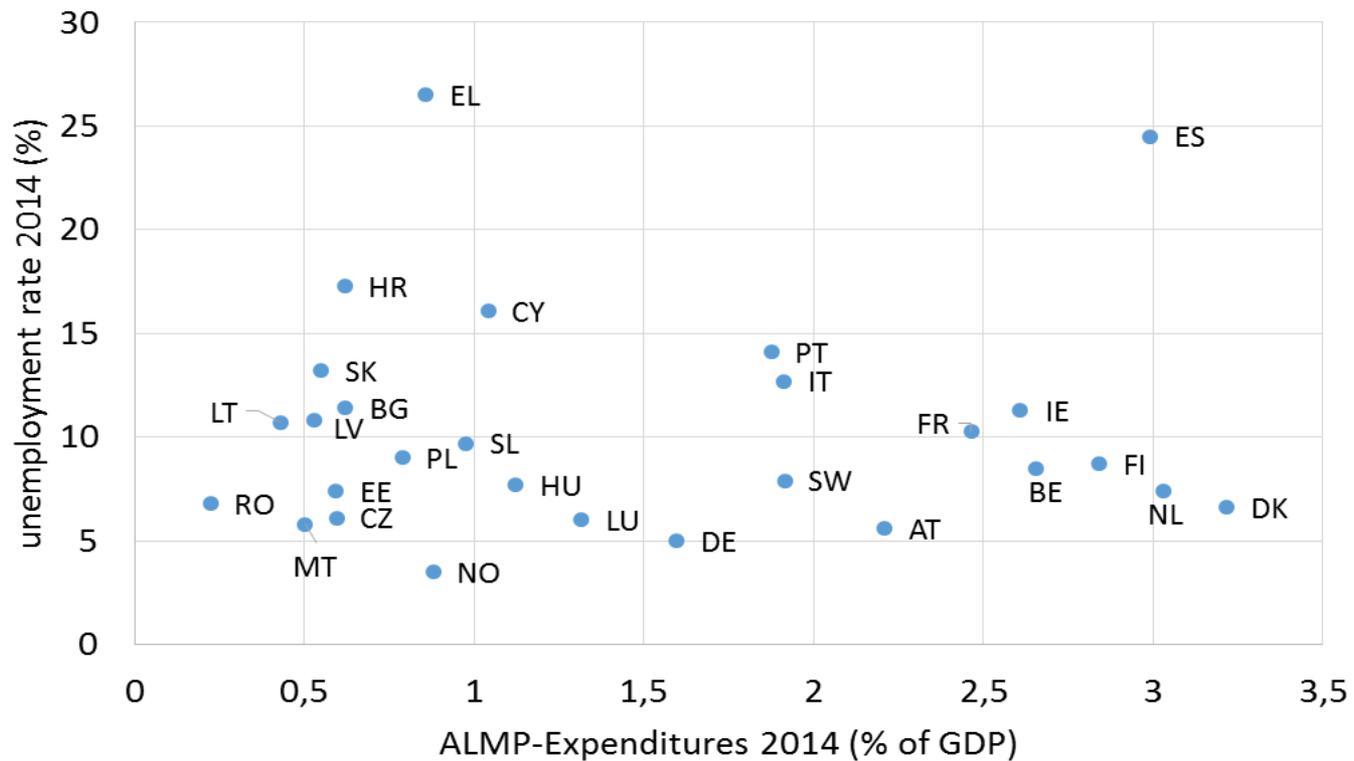
Long-term unemployment rate by skills level, 25-64 years old, Q1 2016



Source: Eurostat, LFS

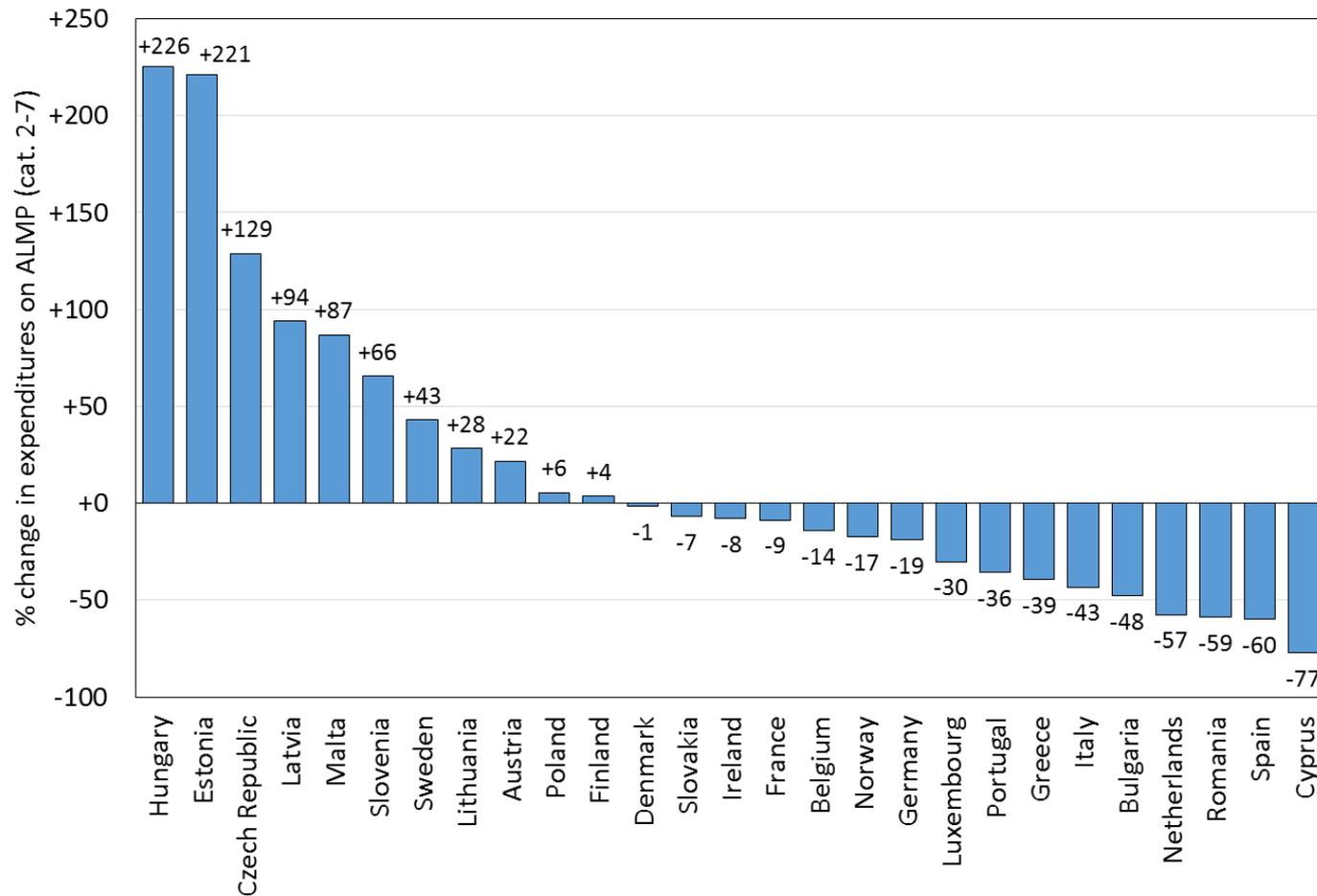
Divergent activation regimes

Unemployment rate and expenditure on ALMP



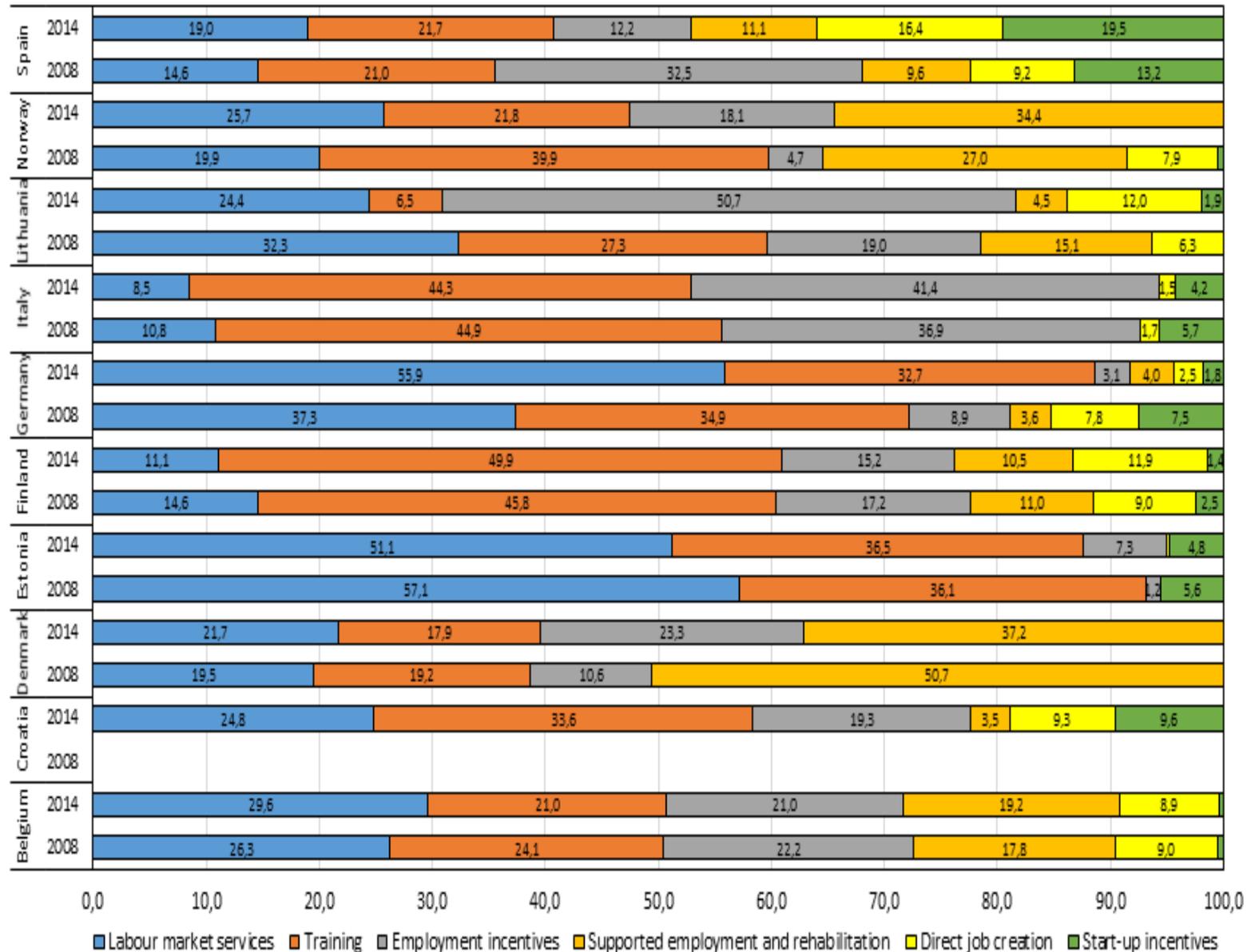
Source: Eurostat LMP

Change in expenditures on ALMP (cat. 2-7) per person wanting to work between 2008 and 2014



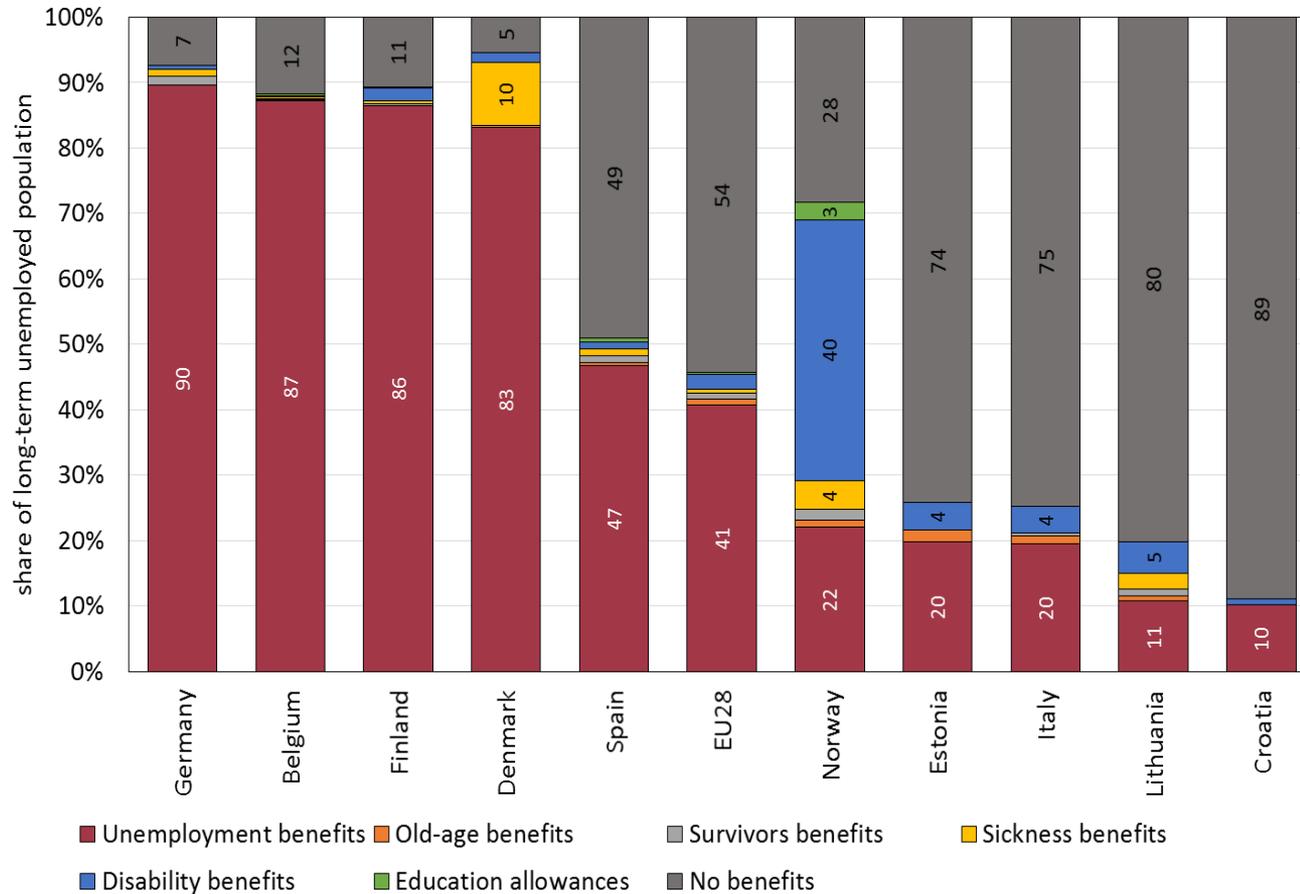
Source: Eurostat, LMP

ALMP spending by policy area in 2008 and 2014



Source: Eurostat. No data for Serbia and Croatia (2008).

Benefit receipt of long-term unemployed in 2013



Multiple (conflicting?) objectives for activation policies responding to the complexity and scale of LTU

Increasing employment rates

- Use of human capital / avoiding depreciation of skills.
- Increasing participation in training as an intermediary objective
- Rediscovering certain target groups as a consequence of changed societal compromise (e.g. older unemployed, unemployed with health problems)
- Avoiding increase in inactivity; activate the „inactives“
- Rapid vs sustainable labour market integration
- Rapid integration of easy to place and leaving LTU behind?

Sharing labour market risks in times of crisis and recovery

- Breaking unemployment spells, share employment opportunities

Social policy objectives

- Improving social integration
- Reducing poverty or social exclusion
- Reducing benefit dependency
- Reducing the risk for children and young people growing-up in unemployed households
- Mutual obligation

New understanding of tackling LTU: Integrated services

Combining services and programmes of PES

- Mixing guidance, work experience and training
- Increasing autonomy, job search capacity, self-confidence of LTU; additional training and employment programmes may be needed

Interinstitutional cooperation and partnerships

- Different models of interinstitutional cooperation and “maturity” of cooperation

Individualised approach

- Focus on identifying needs and potentials
- Reducing caseload for staff dealing with vulnerable groups

Linking services to unemployment and to employers

- Mixed teams; dual role of counsellor
- Partnerships with companies CSR and social sector
- Follow-up of employers, offering socio-pedagogic guidance
- Mentoring

Challenges for good governance and lessons learned

Decentralisation of PES

- Delivering individualised approaches adapted to local labour market realities.
- But draw backs of “too much” of or poorly governed decentralisation:
 - unequitable delivery of services
 - loss of control from a labour market policy point of view,
 - too small target groups for setting up sensitive measures

Case management and role of counsellor

- High degree of flexibility and autonomy of the PES counsellor needed:
 - complexity, no “one size fits all” solutions
 - more personalised and tailored support
 - trust building
 - role of mediators
 - need for training of counsellors and for some common guidance
- But risk of “black box approach”:
 - little control over quality of services provided
 - risk of creaming when caseload is too high

Challenges for good governance and lessons learned

Outsourcing vs in-house service provision

- Optimizing expertise
- Increased competition likely to increase effectiveness, but risk of “creaming”
- Need for sophisticated performance management instruments in any case
- Costs of control
- Outreach and access to target group
- Mediators
- In any case need for building up local partnerships, including employers

Interinstitutional cooperation

- Difficulties of interinstitutional cooperation encountered in different settings:
 - leadership problems
 - difficulties to integrate different accountancy and monitoring systems;
 - difficulty of integrating software
 - difficulties to define common objectives
 - failure of social services to reach the most disadvantaged and to sufficiently target the LTU

MANY THANKS FOR YOUR ATTENTION!