

Informal EPSCO Council Dublin, Ireland, February 7-8, 2013

Social exclusion and the labour market: policies to improve the current situation

Key messages in brief

I. Access to the labour market - Improve access to jobs for those furthest away from the labour market

Build inclusive labour markets to ensure access to employment for all, to facilitate progressive reintegration into society and the labour market of those furthest away, and to enhance their employability.

II. Creation of jobs - Support job creation, in particular in the social sector and through the social economy

Invest in the creation of quality and sustainable jobs, particularly in the social and health care services sector and in the social economy, including jobs that are appropriate for people with lower skills and accessible to people furthest from the labour market.

III. Working poor - Tackle the growing problem of working poor and value the role of quality employment and social policies in improving the situation

Invest in quality and sustainable employment to counter the increase of in-work poverty, precariousness, indecent working conditions and labour market segmentation.

IV. Progression in employment - Use the full potential of workers by removing barriers to their progression in employment

Provide adequate support for people, in particular to those who are most vulnerable, to progress in employment and to ensure that discriminatory practices in the field of employment are fully and effectively prohibited.

V. Good governance of employment policies – Ensure the involvement of civil society organisations in their areas of expertise

Involve civil society organisations in policies and programmes concerning: access to employment for those furthest away from the labour market; the issue of in-work poverty that involves not only contractual relationships but other policies than employment; discrimination in the work place and promotion of equality and non-discrimination to tackle unemployment; under-employment; and pay gaps.

Social Platform's full contribution

Civil Society Organisations are calling on the EU and member states to invest in the creation of, access to and progression in quality and sustainable employment.

People want to work, even if they are far away from the labour market. For example, in many countries up to 90% or more of the homeless population have no stable employment, but in the UK 97% indicated they would like to work either now or in the future.¹

It is necessary to take an integrated approach to employment that goes further than an isolated focus on labour market conditions and the creation of jobs. We strive to ensure social inclusion of people as a prerequisite to effectively include them in employment. Furthermore, it has to be acknowledged that not every person is able to enter the labour market but also need assistance and support to be social included.

I. Access to the labour market - Improve access to jobs for those furthest away from the labour market

We call on you to build inclusive labour markets to ensure access to employment for all, to facilitate progressive reintegration into society and the labour market of those furthest away, and to enhance their employability.

Recently there has been a decline in the expenditure on active labour market policies per unemployed person by more than 20%, even though evidence shows that such policies have a positive effect on employment rates, particularly for women and low-skilled population.²

The direct effects of the crisis combined with the on-going austerity measures are still worsening existing social exclusion and inequalities. This increases the barriers for people to be integrated in the labour market, in particular those furthest away from the labour market.

How?

- a. **Promote at the EU level and implement on national, regional and local level integrated active inclusion measures, as called for by the Commission in its Recommendation of 2008.**³ This requires combining the equally important strands of adequate minimum income schemes, inclusive labour markets (including placement services) and access to high-quality social services.
- b. **Provide quality flanking services** (a.o. child care and transport) **and other services** (a.o. housing support, debt counselling and health services) which are not just labour market oriented.
- c. **Urgently adopt the Article 19 Equal Treatment directive** which would complete the equal treatment legislation by providing protection for goods and services (in line with the Racial Equality directive) on all grounds of discrimination.
- d. **Invest in personalised approaches through employment and recruitment services**, including personalised job counselling. Such approaches start from the needs and circumstances of the person, recognising individual barriers particularly for different target groups (a.o. long-term unemployed people, single parents, migrants, people with disabilities and homeless people).
- e. **Ensure decent income levels for job seekers and those who cannot access employment**, through unemployment benefits or other forms of social protection. This

¹ Homeless Link, St Mungo's and Crisis, *The Programme's Not Working: Experiences of homeless people on the Work Programme*, 2012

² Annual Growth Survey 2013: *Joint Employment Report* (hereafter: *JER 2013*).

³ EC Recommendation of October 3, 2008 on the active inclusion of people excluded from the labour market

will keep people socially included, which is a precondition for their inclusion in employment.

- f. **Invest in quality education and training, and request from employment services to recognise and validate skills, competences and knowledge acquired through informal and non-formal learning**, to achieve equal opportunities, social inclusion and full participation. Ensure that education and training are accessible to all, without harassment, discrimination or bullying and promote diversity.
- g. **Improve the transition of young people from school and training systems to the labour market** through the adoption of a Youth Guarantee and through cooperation between educational establishments, governments, educational and social service providers and social partners.

Why?

- According to the European Commission and the Employment Committee, only seven member states made any progress regarding the implementation of active inclusion strategies last year. Only a few measures are being taken concerning access to services supporting integration in the labour market and in society.⁴
- Access to affordable, quality services will support people in bridging social and labour market transition phases and will avoid social exclusion.
- A personalised approach and a focus on the particular needs of specific groups have already proved their effectiveness. For example, the Irish programme “Ready for Work” is solely dedicated to formerly homeless people trying to get in employment, and helps them increasing their confidence and motivation for finding employment.⁵
- Tackling discrimination within the labour market cannot be achieved without tackling what hinders access to the labour market itself (access to education, public transport, housing etc.).
- More than half of young people dropping out of school are unemployed and there is evidence that cuts are being made to education budgets.⁶ Early school leaving remains more frequent among young people from disadvantaged backgrounds, among migrants and ethnic minorities such as Roma and among boys.⁷
- There is overwhelming evidence that people with disabilities that are in transition from school to employment are prevented or hindered from accessing employment and/or sustaining themselves in the workplace. They face barriers which hinder their full and effective participation in society on an equal basis with other citizens.⁸

II. Creation of jobs - Support job creation, in particular in the social sector and through the social economy

We call on you to invest in the creation of quality and sustainable jobs, particularly in the social and health care services sector and in the social economy, including jobs that are appropriate for people with lower skills and accessible to people furthest from the labour market.

Net job creation has decreased both at EU level and across member states. It has been reported that compared to 2008, the number of jobs lost now totals 5 million.⁹

⁴ JER 2013

⁵ More info on the “Ready for Work” programme can be found [on this website](#).

⁶ For example, - teacher’s salaries in Latvia have been reduced by 30% since 2008, see European Women’s Lobby, [The price of austerity – the impact on women’s rights and gender equality in Europe](#), October 2012

⁷ JER 2013

⁸ As specified in the EU Disability Strategy 2010-2020.

⁹ Eurofound, [Shifts in the job structure in Europe during the Great Recession](#), August 2011 AND JER 2013.

Labour market forecasts show that Europe should not expect a significant increase of jobs in the years to come.

However, the social and health care services sector and social economy enterprises will definitely expand and ought to be considered as an important labour supplier and as an answer to the ageing population, the need to support early childhood interventions and the marginalisation of vulnerable groups.¹⁰ Yet following austerity policies in a number of countries, essential social and health care services have recently been capped, curtailed or cut altogether. Jobs in the health and education sectors are hit the hardest by austerity led cuts, while the societal need for these services will only grow in the future.

How?

SOCIAL AND HEALTH SERVICES

- a. **Invest in increasing the availability of affordable and quality social and health services and facilities**, ensuring stable funding and investment in public infrastructures and providing qualified staff.
- b. **Provide adequate information on employment opportunities, improve salaries and working conditions and provide necessary training and lifelong learning opportunities** to create and promote jobs in the social and health sector.
- c. **Invest in the potential of non-profit organisations in delivering quality social and health services.**

SOCIAL ECONOMY

- d. **Ensure a greater presence of financial support for social economy initiatives** for developing employment in quality, accessible and affordable care services in the 2014-2020 Operational Programmes to be financed by the Structural Funds.
- e. **Support social economy initiatives, particularly Work Integration Social Enterprises (WISEs)**, who offer training and employment to those having the hardest time accessing the labour market.

EMPLOYMENT IN GENERAL

- f. **Provide financial support to test social and labour market policy innovations**, in order to better anticipate and develop the job creation potential.
- g. **Promote access to, and increase the availability of, micro-financing for business start-ups**, especially with regard to unemployed, socially excluded and other vulnerable people, as well as existing micro-enterprises and social enterprises.

Why?

- While some job creation efforts can be observed in member states, NGOs report that these are too few, of poor quality (including wages) and sustainability (duration of contracts) and fail to reach those most in need and furthest from the labour market.¹¹
- During the 2008-2011 period, the 'health and social work' sector created about 1 866 000 new jobs. Moreover, the demand for new positions in this sector is expected to increase

¹⁰ See Commission's [Communication: Towards a job-rich recovery](#) of April 2012 calling on member states to "Improve health workforce planning and forecasting to match the demand and supply of health professionals better while offering them long-term job prospects and stimulate exchange on innovative and effective recruitment and retention strategies for health workers".

¹¹ EAPN 2012, [An EU Worth Defending: Beyond Austerity to Social Investment and Inclusive Growth, EAPN analysis of the 2012 National Reform Programmes \(NRPs\) and National Social Reforms \(NSRs\)](#)

with a projected 8 million of total job openings between 2010 and 2020 (twice the employment growth overall).¹²

- The European Commission launched the Social Business Initiative one year ago. However, any support for the social economy is strikingly absent in the 2012 NRPs.¹³
- The ageing of the population will increase the demand for long-term care services. Between 2008 and 2060, the population aged over 65 will increase by 79% while the population aged over 80 is expected to increase by 181%.
- The social economy is very important both in economic terms, employing over 11 million people. The contribution to European society made by cooperatives, mutual societies, associations, foundations and other social enterprises far transcends their strict economic contribution in terms of GDP.
- The social economy makes notable contributions to a fairer distribution of income and wealth, to creating and providing welfare services (such as social, health and social security services) and to sustainable development.

III. Working poor - Tackle the growing problem of working poor and value the role of quality employment and social policies in improving the situation

We call on you to invest in quality and sustainable employment to counter the increase of in-work poverty, precariousness, indecent working conditions and labour market segmentation.

In relation to the previous point, it is important to acknowledge that investing in job creation cannot be effective and sustainable unless the quality of employment and working conditions is guaranteed. This implies also that employment and poverty reduction policies, in particular in light of the Europe 2020 targets - are mutually reinforcing, rather than the first taking priority over the second.

In-work poverty is rising and in 2011, 8.7 % of people employed were living under the poverty threshold. The increase shows that having any kind of job is not enough. Internal flexibility, through the use of temporary contracts, part-time work and low wages, has shielded many economies from even worse labour market performances but, at the same time, it has given rise to the phenomenon of in-work poverty.¹⁴

How?

- Establish decent minimum wages in all member states** to protect people against in-work poverty and raise the level of these wages where insufficient.
- Provide on-going (financial) support for people with a vulnerable background and help them bridging transitions into work**, to ensure that adequate income and access to services are maintained and to help them to keep their job.
- Address labour market segmentation by improving employment protection and working conditions**, in particular in case of temporary and part-time jobs and in low-wage sectors. Ensure that no one has to take up a part-time job involuntarily.
- Ensure access to affordable, quality services such as childcare, healthcare and social housing**, which are essential in supporting those who are experiencing in-work poverty. These services should therefore be protected from austerity measures.

¹² Commission's communication « Towards a job rich recovery » of April 18, 2012 page 6 AND [JER 2013](#).

¹³ EAPN 2012, [An EU Worth Defending](#) (see footnote above)

¹⁴ European Commission 2012, [Employment and Social developments in Europe 2012](#)

- e. **Ensure policy measures, including in the financial and economic field, to be “poverty-proof” by assessing their social impact on a regular basis.** Avoid cumulative ‘hits’ where a range of decisions are made that impact on the same group and that have a disproportionate effect. Particular attention should be paid to the most disadvantaged groups in each country.

Why?

- The Commission and the Employment Committee state that wage adjustments, reduction of working hours, short time working arrangements and increased part-time and temporary contracts may have contributed to the increase of in-work poverty.¹⁵
- Childcare is becoming increasingly expensive. In the Netherlands, as of January 2012 most parents received a smaller proportion of their childcare costs back from the tax agency¹⁶. In the UK the share of childcare costs covered by the state have been cut from 80% to 70%.¹⁷
- A huge cost for working poor is housing as it is often expensive to live close to where the jobs are. Combined with rising energy prices, it is increasingly difficult to find decent and affordable accommodation.
- Part-time employment accounted for a significant share of the job growth experienced during the crisis while the number of fulltime workers shrank by 6.2 million. Between 2007 and 2011 the share of employees working in involuntary fixed-term or part-time jobs increased in 21 out of 27 Member States.¹⁸
- The ILO has pointed out that insufficient progression of wages and increased inequalities over the last decade were the roots to the economic crisis. Work inequalities have been increasing leading to an accumulation of household debt.¹⁹

IV. Progression in employment - Use the full potential of workers by removing barriers to their progression in employment

We call on you to provide adequate support for people, in particular to those who are most vulnerable, to progress in employment and to ensure that discriminatory practices in the field of employment are fully and effectively prohibited.

Once in employment, many people still face exclusion within the labour market as a result of having to reconcile care responsibilities with professional life, lacking access to further skills-development or discrimination on the basis of gender, age, parenthood, ethnic background, sexual orientation or social origin.

How?

- a. **Adopt the Parliament’s proposal for a revised Maternity Leave directive;** ensuring women keep their full salary throughout their leave, strengthen their legal protection against dismissal and working time arrangement on return to work.²⁰
- b. **Provide accessible, affordable and good quality public care facilities and services for children** to allow people with care responsibility to reconcile progression in employment and family life in line with the 2002 Barcelona targets.

¹⁵ JER 2013.

¹⁶ Nederlandse Vrouwenraad 2012, EWL members’ report, May 2012

¹⁷ Daycare Trust 2010. *Policy Briefing: The impact of the Spending Review on Childcare*. Quoted in Fawcett Society 2012, p. 29.

¹⁸ European Commission 2012, *Employment and Social developments in Europe 2012*

¹⁹ ILO 2012, *Work Inequality in the Crisis: Evidence from Europe*

²⁰ See [Social Platform letter to the Council](#), November 2010 AND the [joint EWL/ETUC letter sent to Heads of States and governments](#), November 2012

- c. **Ensure equal access and opportunities to training and up skilling as a part of a life-long learning approach**, especially for the low-skilled and other vulnerable groups, to achieve equal opportunities for all. This needs to be combined with the promotion of mechanisms that systematically document the skills, competences and knowledge acquired outside the formal education system and promote the validation of non-formal and informal learning.
- d. **Enforce the Framework Directive²¹ for equal treatment in employment and occupation** which prohibits direct and indirect discrimination, harassment, instructions to discriminate and victimisation on the grounds of religion or belief, age or sexual orientation.
- e. **Promote the investment in diversity training for employers** that can result in equal opportunities and increased profit.²²

Why?

- Austerity has reduced access to and financing of childcare services and care services for the elderly and other dependents. In some countries access to public day-care for children has been limited to families where both parents are employed, leading to an increased care-work load on the unemployed and limiting their possibility to look for a job.²³ In 2010 28.3% of women's inactivity and part time work was explained by the lack of care services against 27.9% in 2009.²⁴
- The ILO confirms that among the most hit from the crisis, are low-skilled workers and female workers.²⁵

V. Good governance of employment policies – Ensure the involvement of civil society organisations in their areas of expertise

We call on you to involve civil society organisations in policies and programmes concerning: access to employment for those furthest away from the labour market; the issue of in-work poverty that involves not only contractual relationships but other policies than employment; discrimination in the work place and promotion of equality and non-discrimination to tackle unemployment; under-employment; and pay gaps.

Non-governmental organisations have an expertise in dealing with specific issues of the labour market that can complement the valuable work of the Social Partners.

How?

- a. **Establish appropriate cooperative and participative structures at all government levels that involve different organisations:**
 - organisations representing people in poverty and organisations working with them;
 - organisations that represent service providers, end users and organisations working on the issue of health promotion and social protection;
 - organisations promoting equality and non-discrimination and organisations working on the issue of discrimination in the workplace and women's organisations;
 - organisations aiming at ensuring access to all to education and training, and in particular, those who tackle discrimination as this has a very negative impact on under-achievement, early-school leaving, unemployment and mental health issues.

²¹ The Council Directive 2000/78/EC of 27 November 2000

²² Read more on [the Commission's website on Diversity Charters](#)

²³ See for example: EWL Survey Portugal Barry & Conroy/TASK 2012, p. 6; National Council of Women in Ireland 2012, p. 27; Nederlandse Vrouwenraad, 2012

²⁴ Eurostat

²⁵ ILO 2012, *Work Inequality in the Crisis: Evidence from Europe*

- b. **Foster cooperation between Public Employment Services and civil society organisations** representing those furthest from the labour market or active in the social sector or social economy.
- c. **Acknowledge the involvement of civil society in the processes by providing appropriate funding and structural support**, including through the next Multi-annual Financial Framework and the European Social Fund in particular.

Why?

- Based on Article 11 of the European Union renewed Lisbon Treaty – we consider participatory democracy as a fundamental democratic principle of the EU and propose ways to organise dialogue with “representative associations and civil society”.
 - Civil society partners bring forward the concerns of people that are furthest away from the labour market and often unheard in the EU political debate and raise attention to issues that are not very visible on the agenda, thereby contributing to a more democratic and participatory debate.
 - A proper civil dialogue at both EU and national level will reinforce legitimacy, accountability and adequacy of measures proposed. CSOs working with and for people in difficult situations are witnessing the worsening social situation daily, and are gathering facts and expertise beyond the official statistics.
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