

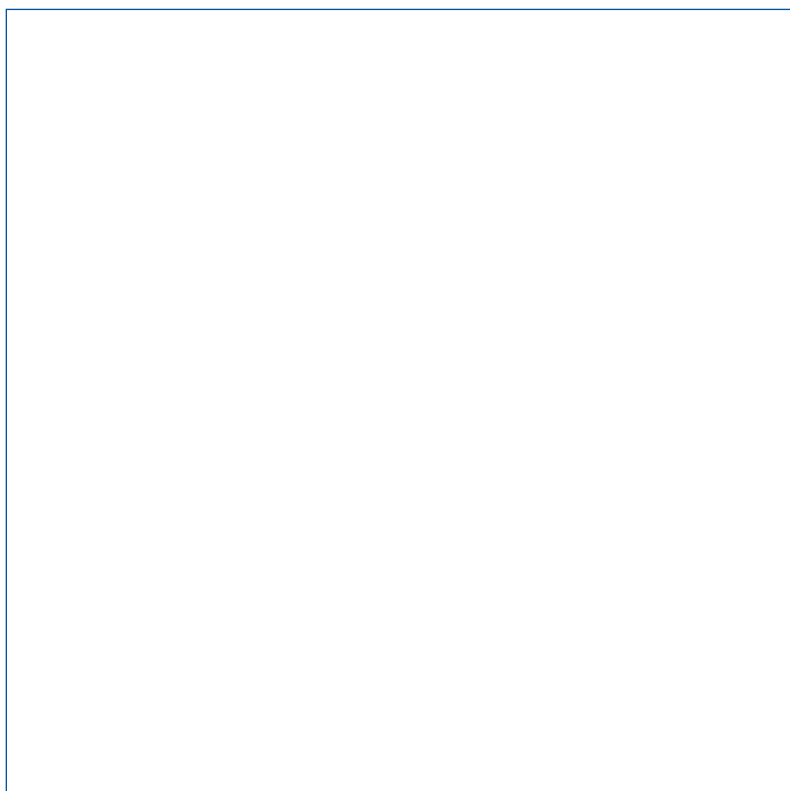


European Foundation
for the Improvement of
Living and Working Conditions



Presidencia de
la Unión Europea
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Employment and labour market insertion strategies as a tool for social inclusion



Toledo, 17-18 June 2002
Conference summary



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autonomous body of the European Union, created to assist in the formulation of future policy
on social and work-related matters. Further information can be found at the Foundation website
at <http://www.eurofound.eu.int>

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Foreword

The European Foundation for the Improvement of Living and Working Conditions, together with the Spanish Ministry of Employment and Social Affairs, hosted a conference, 'Employment and labour market insertion strategies as a tool for social inclusion' in Toledo on 17-18 June 2002. Organised as part of the programme for the Spanish Presidency of the Council of the EU, the conference addressed the role and contribution of employment and labour market insertion strategies in combating social exclusion, particularly for vulnerable groups.

The conference examined how active measures are developing for employment of vulnerable groups: their needs demand more comprehensive approaches involving supportive policies and services in sectors such as social welfare, health and education as well as labour market measures. It looked at policies that increase employability and reduce barriers to labour market entry but also at measures which sustain employment for workers at risk of exclusion. The four workshops on activation, coordination, prevention and evaluation were based around examples of good practice from Member States and drew out lessons for both practice and policy.

The Foundation's contributions were partly based on the results of a research report launched at the conference on 'Integrated Approaches to Active Welfare and Employment Policies' - an analysis of initiatives in the 15 Member States that aim to achieve better coordination of employment activation measures specifically for people receiving social assistance.

A summary of the discussions which took place over the two days is presented here.

The Spanish Presidency and the Foundation are pleased with the outcome of the joint conference, the theme of which was taken forward by the Danish Presidency which followed.

Juan Carlos Aparicio
Minister for Labour and
Social Affairs
Spain

Raymond-Pierre Bodin
Director
European Foundation for the Improvement
of Living and Working Conditions

Objectives of the conference

Currently there is much debate in Europe on the need to review the quantity and quality of jobs/employment as a basic step in combating exclusion. The European Union (EU) has therefore invested in human resources, policies and budgets aimed at the most vulnerable groups, as an element of both increasing employment activity rates and promoting social inclusion.

The main objective of the conference on ‘Employment and labour market insertion strategies as a tool for social inclusion’ was to analyse the role and contribution of employment and insertion strategies in combating the social exclusion of vulnerable groups. This involved examining the situation of both those who are excluded from the labour market and those at risk of losing their jobs.

The conference was conducted as a series of workshops with key points for discussion by four working groups which examined: the meaning of activation into employment for excluded groups; coordination between social security and employment services; prevention of exclusion for those in employment; and the role of evaluation to improve both processes and outcomes of insertion strategies.

The second part of the conference centred on the debate in the form of two panels. One panel studied the existing barriers to access to and promotion of employment, while the other focused on the measures that have proved successful in achieving quality, sustainable employment as an element of preventing exclusion.

The conference wrapped up with a final session looking at how to take the strategies forward.

Unemployment and vulnerable groups in the EU

Three phenomena have emerged since the early 1990s and persist today: long-term unemployment, with increasingly longer periods of unemployment; pockets of inactivity, particularly among older people, who may not be looking for work; and the insecurity trap which means that the majority of people who have insecure jobs find it very difficult to move into stable employment.

One of the main priorities of the European Union is the fight against exclusion. Sustainable development is based on four pillars: economic dynamism, innovation, working towards full employment and social cohesion. These pillars support the strategy for economic and social modernisation agreed at the European Council meeting in Lisbon (2000) and reaffirmed at the Barcelona summit (2002).

Despite the recent fall in unemployment levels, 18% of the EU population is considered to be living in poverty (i.e. with less than 60% of the average income). In many cases, poverty due to low income is compounded by lack of qualifications, poor health or housing problems. This is exacerbated by the fragmentation of family structures. Discrimination is still one of the causes of poverty. Some groups, such as older women, suffer from more than one type of discrimination, and unemployment levels within such groups are high.

All this makes poverty a multidimensional phenomenon, requiring an approach on three levels: global as regards understanding the problems, individual as regards determining solutions and collective as regards putting strategies into practice.

Anti-exclusion policies

Social cohesion has become a key factor in economic and social reform strategies in the European Union. After the Lisbon summit it was decided to use innovative approaches based on global, individual and partnership measures to combat exclusion.

The employment guidelines introduced the concept of action for disadvantaged groups. In 2001, these guidelines were extended to combat discrimination, with the inclusion of specific recommendations on the promotion of social inclusion.

The Barcelona summit in 2002 established the framework for coordination of employment and social policies. In addition to the commitment to full employment by 2010, the importance of quality in jobs and of reforms to labour market policies was emphasised. Earlier, in 2000, the Council agreed to a phased programme to implement an ‘Open method of coordination’; in 2001 reports examined social inclusion and in 2002 review of pension systems was launched.

In June 2000, the Commission issued its social policy agenda acknowledging that while employment does not solve all problems of poverty, a job is the best safeguard against social exclusion. It identified three approaches to achieve the objectives of the open methods of coordination: legislative action, social dialogue, and community programmes and structural funds.

Member States have been developing their anti-exclusion strategies through implementation of national action plans. The emphasis in these plans is on ‘active welfare’, which has also been applied in employment policies. These policies draw upon the commitments made in Lisbon and Nice (2000) to involve the various actors concerned, particularly non-government organisations (NGOs) and local and regional authorities.

Access to employment and promotion of inclusion

There are both ethical and economic reasons why we should promote the integration of vulnerable groups in accordance with the European social model. If the numbers of those in work are to be increased, there is a need to improve access to employment under good conditions.

According to organisations who work with the homeless, this group is particularly ignored in plans, programmes and statistics on poverty. It must

also be borne in mind that as well as such invisible groups, there are also disadvantaged regions that are particularly difficult to integrate in social and employment policies.

The outcomes of policies depend on the people who will be involved in implementing them, both as clients and providers. There may be a tendency among agencies working with disadvantaged groups to select the 'less problematic' so as to achieve a better result.

If priority is to be given to vulnerable groups, corrective measures must consider how to ensure real access to employment. Equal opportunities must be reconciled with efficiency. In this regard, consideration will have to be given not only to the added value from the economic standpoint but also to its value for social cohesion, which requires not only quantitative indicators but also qualitative and analytical indicators.

Promoting access to employment involves:

- avoiding discrimination against men, women or vulnerable groups;
- offering quality employment that provides sufficient income and the opportunity for career development;
- reconciling professional and family life, with each country developing childcare services and support for dependants;
- removing the obstacles to job search or creation as appropriate;
- reforming public services to integrate and tailor mechanisms to aid insertion;
- improving training policies and preventing possible discrimination as regards access.

Measures to ensure quality, sustainable employment

The social inclusion process has begun to emphasise quality in jobs, and the need for a specific agenda to achieve this.

Although a quality job is the best safeguard against poverty, each group requires specific measures. Temporary, poorly-paid jobs will not ensure sustainable inclusion.

According to NGOs and trade unions, jobs must be adapted to people. In this regard, flexibility must be understood from the point of view of the interest of workers, not just employers.

In the most recent employment guidelines, the Commission placed particular emphasis on attaining quality jobs. In this, an important part is played by training and rehabilitation, motivation and other complementary measures such as tax or subsidies that avoid poor-quality jobs.

Profound changes must be introduced in social security systems to ensure adequate protection in areas such as health, old age and unemployment for people whose professional careers deviate from the norm. This implies funding viable and sustainable social security systems. Quality education is evidently as important as employment and requires discussion at European level.

The following reforms have been suggested to improve quality in jobs:

- Emphasis on the rights and responsibilities of people in unstable situations: people must be motivated without cutting back on benefits;
- Improve access to employment guidance and support;
- For certain more vulnerable groups, develop policies that provide financial incentives to work: ‘negative taxation’ or other alternatives, although it appears from empirical studies carried out that this works less well for vulnerable groups than for those on low incomes.

Activation strategies

People are being activated to find work, and yet there is increasing concern about precarity and low quality of available employment. So, the question

is: activation for what purpose? Empowerment is the reason unanimously given for activation.

However, changes to social security systems are imposing activation measures that do not work, in part because they are understood only as a means of providing direction or training mechanisms. The fact that there are other barriers in society, and particularly in the labour market, is being forgotten. Thus other aspects must also be considered in activation, such as:

- changing attitudes, eliminating aspects of discrimination;
- adapting labour market conditions to a number of basic social needs;
- improving working conditions;
- improving the image of some professions.

A number of strategies have been established to prevent the situation where activation is confined to pushing or forcing people to accept low-quality jobs. These strategies include

- considering the unemployed person as a person with rights and the focus of the services;
- developing multidimensional plans that take account of work as an important factor, but not the only one, in combating social exclusion;
- acting locally and involving a wide range of actors;
- ensuring satisfactory coordination between actors;
- establishing quantitative and qualitative objectives.

In countries where unemployment rates have fallen activation measures are being directed more at disadvantaged groups, applying the same schemes to these groups as to other unemployed people. However, the problems of disadvantaged groups cannot be treated solely as an employment problem: other factors are involved, such as health and housing.

Activation measures are often directed at people who receive benefits, but there are many cases of unemployed people who do not receive anything and are thus left out of these measures. This suggests that activation may sometimes be regarded more as a means of reducing the numbers of those on benefits than as a tool promoting the right to equal opportunities.

Coordination strategies

The many different kinds of users and activation programmes require approaches underpinned by the development of effective coordination strategies. Coordination is not a natural process: it requires planning and is costly in terms of time and money, and these costs must be properly resourced if coordination is to work.

At national level, emphasis is on the relationship between social benefits and integration into the labour market, leading to the need to strike a balance between rights and obligations of the beneficiaries. Between national and local level, there is a tendency to transfer political and fiscal responsibility for activation programmes from national to local level, but is it possible to ensure equity, maintaining equality of opportunities for everyone, everywhere?

The complexity of the social protection system and employment measures for excluded persons requires both social support and social security, leading to tensions between central control and the supposed local autonomy.

Horizontally, at local level, there is a greater need for coordination, given the growing local responsibility for activation programmes. There must be a consensus between the various actors on goals and methods involved, and an explicit technical and political effort for coordination between the areas involved.

Through the open coordination method, the European Union has set itself three objectives: identification and exchange of good practices on the basis of common indicators; giving a concrete meaning to the concept of the

European social model, establishing a basis for agreement between countries; and updating the social dimension of processes of coordination between European social and economic policies, highlighting the fact that social cohesion is a key factor for job creation and economic growth. This method has been questioned by some. Critics say that it leads to uniformity, disregarding the circumstances of individual countries. Meanwhile, sceptics question the efficiency of the method because it is basically voluntary. To obtain good results from the open method of coordination, great care must be taken in the selection and interpretation of indicators; the potential represented by comparison and transfer between countries must be effectively supported.

Prevention strategies

In light of current changes, action must be taken as soon as possible at policy level in order to avoid problems for social inclusion related to the ageing population and technological changes, since each technological advance makes things more difficult for those with lower qualifications.

Priorities for prevention are: the training of those in employment, especially those who are less qualified; and strengthening the role of the social partners in insertion. At times it is forgotten how important it is in terms of prevention to have an integrated perspective on how systems such as education, advice and benefits, health and housing contribute to the world of work and social inclusion.

The degree of openness in the labour market and the opportunities for obtaining sufficient benefits are important factors that can have the effect of promoting or limiting efforts to prevent the social exclusion of the employed. The greater the pressure on agencies, the greater the tendency to try to solve problems rather than prevent them.

Whether people are in full-time employment or not and how secure their jobs are also influence the chances of participation in training or support activities that prevent exclusion.

One key issue is the relationship between a person's right to lifelong learning and the responsibility of the state and social agents to provide an infrastructure for this. However, there is a degree of frustration among government officials regarding the lack of clear results in terms of prevention of exclusion from encouraging continuous learning.

Evaluation of empirical experience highlights the important role that trade unions can play in identifying workers who could benefit from preventive measures. Likewise, the introduction of learning in non-traditional environments has turned out to be a good way of boosting self-confidence and motivating workers towards life-long learning.

As regards the social responsibility of companies, it must be established whether it is appropriate to impose obligatory quotas, for example for the hiring of disabled people or leave this issue for voluntary compliance. Although NGOs emphasise the benefits of softer legislation, without strict legislation there would be no labour laws.

Evaluation strategies

The following have been established as 'good practice' parameters in terms of evaluation:

- **Sufficient time:** this has a bearing on methods and the quality of the results. Evaluation must take place at various times and throughout the whole process, with feedback from results, assessing sustainability and effects in the long term.
- **Participation and inclusion:** in view of the political nature of evaluation, involvement of client groups must be a priority. In this regard, the evaluatees should be actively involved in the evaluation processes, and the selection of indicators should be based on a process of participation and discussion.
- **Heterogeneity and complementarity:** given the growing diversity of social inclusion programmes, evaluation must combine various methods and strategies in a complementary manner (quantitative and qualitative

information, macro and micro levels, preventive and corrective measures).

- **Comparison:** it would be desirable for the methods and results to be comparable between countries. European institutions could help compile statistics and indicators allowing comparisons and common evaluations to be performed.

There has been an increase in the political dimension of evaluation, in the selection of criteria, and in objectives and indicators. Independence is crucial, since choices could be highly influenced by politics, biasing the results of the evaluation in advance.

Politicians responsible for the programme or the entities that finance it tend to demand concrete results to validate their action. This leads to closed, pragmatic evaluations with the apparent desire to replace the making of policy decisions.

There are limiting methodological aspects: because social inclusion programmes are so complex and multifaceted, it is extremely difficult in evaluation to isolate and separately gauge specific aspects and results. This complexity must be taken into account in the whole of the planning, methodology and interpretation of evaluation.

Preliminary evaluations of inclusion strategies for disadvantaged groups suggest relatively little progress. Evaluation has identified the need to improve coordination between social and employment policies.

Conclusions

Improve knowledge of vulnerable and excluded groups and develop policy measures with a global and coherent focus

In global terms, every individual may be vulnerable to both social exclusion and more specifically exclusion from the labour market.

More information, both quantitative and qualitative, is needed on vulnerable groups, especially the groups that have been studied to a lesser degree.

The integration of disadvantaged groups into the labour market is linked to fundamental aspects of the European social model, considering efficiency, coordination and evaluation.

The inclusion of certain groups in the labour market may entail accepting a lower level of productivity in certain jobs, but this must not mean lower pay or turning them into devalued jobs.

Measures should not be too complicated and an effort must be made to set out the range of innovations necessary to ensure access to jobs by vulnerable groups.

A socially and economically integrated focus is required: social insertion covers all conditions of life and work, not forgetting the establishment of quality in jobs.

Measures should be adaptable to the needs and timescales of particular groups in the various stages of life, which is not always compatible with the timescales and objectives of politicians.

Lifelong learning is less easy for those who need it most.

In practice, there are few points of contact between inclusion and discrimination: links should be established between the rights of persons and the policies used. Compliance with the anti-discrimination directive must be monitored and penalties applied in cases of breach.

Promote inclusion with the social commitment of all actors: participation

An integrated or partnership strategy is needed: this requires method and mediation.

The role of actors at the local level should be strengthened, including the promotion of organisations linked to vulnerable groups; this poses challenges that must be shared between the different actors.

Companies should have fuller, better knowledge of social policies in order to be able to effectively assume social responsibilities.

More debate is needed on whether companies should be obliged by regulations to devote time to employee training; more dialogue and consensus between companies and other actors in the field is also required.

From the business side, greater flexibility for the company and its modalities of employment is called for, while among other agents flexibility is also understood from the point of view of workers' interests.

Access to quality, sustainable employment

Access to quality jobs requires training and counselling organisations providing career development.

Duration of work and health should not be considered as issues isolated from the rest.

As regards job security and careers, it is important to consider:

- The conditions of employment and the polarisation of the labour market (stable/unstable);
- The correlation between unstable jobs and the most difficult work situations;
- Workers' rights and equal opportunities between men and women and groups at risk of exclusion;
- Wages should be high enough to avoid the creation of poor workers;
- Attention should be given to mechanisms for the social protection of workers throughout their working lives.

The quality of work is experienced at the work place, but responsibility for work should be shared between the company and society.

Activation as a form of empowerment

European principles of the welfare state imply that the concept of activation should be enriched by the inclusion of criteria relating to rights and perspectives of users.

Activation measures should be addressed to all unemployed persons and people inactive or discouraged in the labour market, not just to those who receive benefits as a way of cutting costs or lowering unemployment statistics.

To achieve activation policy objectives, the role of social work must be enhanced, as must the importance of empowering users. In the current climate of budget cutbacks, it is important to underline the significance of the welfare system, together with activation measures, in the prevention of poverty.

There is a lack of information, on the role of different actors, in the development and effects of activation programmes. The current decentralisation process may be creating greater inequalities within countries than between different countries.

Coordination and efficiency

Partnership is necessary to ensure quality of service: working with vulnerable groups requires specific qualifications and coordination between different fields, and this is a new competence in Europe which requires special attention.

It is essential that coordination processes are adapted to the clients, based on local partnerships that provide transparency.

There is no common framework for coordinating the specificities of national policies: this common coordination framework should be set up, based on the countries' adoption of the objective and commitment to reduce the number of persons at risk of exclusion, generating mechanisms to guarantee visibility of processes and results.

Regional and local governments have an important role to play in coordination.

There are a number of requirements for coordination at local level:

- Each actor having its own field of action and at the same time sharing a common sphere with the other actors;
- Agreements should be directed towards offering an intensive, tailored plan that provides a diagnosis of all the aspects of clients' situations and offers on-going, permanent support;
- 'new professional orientation' to link up traditional views of workers in employment and social welfare services;
- Adequate resources in terms of money, personnel and training;
- Ability to rely on personnel and budgetary policies that allow coordination and links between organisations;
- Provide continuous assessment;
- Satisfy the needs of clients; in particular, those most distant from the labour market and who have multiple problems should be the main focus of the service.

European initiatives are very important in the development of a suitable climate for coordination.

Medium-term initiatives are needed, since coordination takes time.

The open method of coordination, while not the answer to all problems, is useful for identifying common values and it must be retained for decision-making, giving significance to the European social model.

Prevention better than cure

Securing employment is of primary importance in global strategies for social inclusion, which involve access to fundamental rights such as health and housing, education or satisfactory social protection.

Employment is a means of preventing the risk of poverty, provided it brings in sufficient income and definite prospects for personal and career development.

Social partners have an important role to play in preventing exclusion.

Through social responsibility, companies can develop strategies for preventing exclusion using different formulae for insertion and retention of the most vulnerable groups.

Continuous, life-long training is a strategy for prevention, but it must be adapted to the needs of those involved.

In order for continuous training to contribute to preventing the risk of exclusion of those in employment with poor qualifications, companies, trade unions and society must include motivation and support strategies.

Prevention must be considered as a part of general education and training systems as well as in systems for social support of workers at risk of losing their jobs.

Evaluation, monitoring and transparency

Monitoring is a strategy that enables visibility of processes and mobilisation of actors in active partnerships, allowing the identification and introduction of effective coordination and advice mechanisms.

When gauging the success of inclusion strategies it is not enough to consider employment alone. Other multidimensional aspects must be included: fiscal, personal or others that help enhance social inclusion according to quantitative and qualitative indicators.

It would be advisable to provide monitoring at various levels and NGOs have called for the creation of observation mechanisms to oversee the application of measures promoted in EU policies and programmes.

The European dimension demands the possibility of comparing processes, the selection of indicators and the results of evaluation.

L. Gavira, University of Seville and **F. Gonzalez**, Geise S.L., Seville, Spain

List of speakers

One hundred and forty people took part in the conference. The speakers included representatives from the Spanish government, the Danish, Finnish, Portuguese and Spanish Ministries of Employment and Social Affairs, the Foundation, the European Commission, the Economic and Social Committee, the European Parliament, OECD, the International Social Security Association, the European Anti-Poverty Network, employer and union representatives and experts in the field.

Silverio Agea, Caritas, Spain

Robert Anderson, European Foundation for the Improvement of Living and Working Conditions

Juan Carlos Aparicio, Minister for Labour and Social Affairs, Spain

Cristian Ardhe, Unice

Michel Bernard, Agence Nationale pour l'Emploi, France

Raymond-Pierre Bodin, Director, European Foundation for the Improvement of Living and Working

Miguel Angel Cabra de Luna, Economic and Social Committee

Rosheen Callender, SIPTU, Ireland

Luis Capucha, Ministry of Employment, Portugal

Ana Cardoso, CESIS, Portugal

Georges Carlens, International Social Security Association

Juan Chozas, Secretary General for Employment, Ministry of Labour and Social Affairs, Spain

Mary Daly, Queen's University Belfast, UK

Concha Dancausa, Secretary General for Social Affairs, Ministry of Labour and Social Affairs, Spain

John Ditch, University of York, UK

Robert Drake, Council of Europe

Richard Exell, TUC, UK

Georg Fischer, Head of Unit, DG Employment and Social Affairs, European Commission

Lina Gavira, University of Seville, Spain

Walter Hanesch, University of Darmstadt, Germany

Matti Heikkilä, Stakes, Finland

Norma Hurley, Blake Stevenson Ltd, UK

Yuri Kazepov, University of Urbino, Italy

Arnout de Koster, Fédération des Entreprises de Belgique, Belgium

Jaime López Cossio, Regional Government of Galicia, Spain

Francisco Mesoneros, Fundación ADECCO, Spain

Teresa Mogín, Ministry of Labour and Social Affairs, Spain

José Manuel Molina García, Mayor of Toledo, Spain

Michaela Moritz, Federal Institute for Health Systems, Austria

Odile Quintin, Director General, DG Employment and Social Affairs,
European Commission

Armindo Silva, Head of Unit, DG Employment and Social Affairs,
European Commission

Maria Antonia Suárez, Madrid City Authority, FEMP, Spain

Kim Taasby, Special Adviser, Ministry of Employment and Social Affairs,
Denmark

Raymond Torres, OECD

Kari Välimäki, Ministry of Social Affairs and Health, Finland

Eric Verborgh, Deputy Director, European Foundation for the Improvement
of Living and Working Conditions

Barbara Weiler, MEP

Marie-Françoise Wilkinson, European Anti-Poverty Network