

Initiatives by the social partners for improving the labour market access of disadvantaged groups

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1. Labour market integration of disadvantaged groups: General remarks and wider context

Labour market integration is the best tool to fight against social exclusion, encouraging those on social benefits to move into work. This not only helps in increasing employment, but also has a positive influence on the economy, in line with the EU strategy on jobs and growth and the EU employment guidelines.

An efficiently functioning economy is necessary to support social provisions and therefore increase social justice. This is of increasing importance as the working-age population declines in comparison with the population in retirement, placing a strain on public finances.

BUSINESSEUROPE is committed to mobilising the full potential of the labour market. Inclusive labour markets are of paramount importance to employers, to provide the workforce that they need and to increase employment across the EU. Improving access to the labour market for “disadvantaged groups” is an important part of flexicurity, in terms of removing the obstacles to creating new jobs and assisting workers to grasp employment opportunities.

In order to enhance labour market integration, existing barriers to full participation in the labour market need to be broken down through demand and supply side measures. As part of the flexicurity approach, employers need the facility to hire people, through support and incentives, and an available workforce with the relevant skills and training. Indirect labour costs, in particular for low-skilled workers, must be reduced and flexibility in working arrangements is necessary. In addition, member states should take steps to modernise their social protection systems to help provide job seekers with incentives and ensure conditionality of benefits.

With respect to developments at EU-level, BUSINESSEUROPE supports the “active inclusion” approach of the Commission. It has rightly foreseen a deepening of the Open Method of Coordination to deal with active inclusion and has targeted the right areas: access to services, adequate income and labour market integration. However, there has not been enough focus on measures on the labour market side

2. Role of (European) social partners

Clearly, social partners have an important role to play in the integration of disadvantaged groups on the labour market.

In their work programme 2006-2008, European social partners agreed to undertake a joint analysis of the key challenges facing Europe's labour markets. An agreement on the joint labour

market analysis was reached in October 2007 after which the text was presented to the Tripartite Social Summit on 18 October 2007 and the European Council on 14 December 2007.

In the joint labour market analysis, the European social partners issued a recommendation on social cohesion and social inclusion in which they call upon Member States to:

- provide support and incentives for people furthest from the labour market to move from social benefits to work
- provide support and incentives for employers to hire people furthest from the labour market;
- develop or upgrade skills and address educational disadvantages through tailored education and training;
- ensure equal access to health, education, housing and social security services as well as access to the basic utilities that play an important role in alleviating and addressing the impact of social exclusion;
- enforce European and national anti-discrimination legislation;
- make effective use of existing financial instruments, notably the European Social Fund, to promote and fund policies aimed at the integration of disadvantaged people in employment.

In the joint analysis, we also indicated that in the context of our 2006-2008 Social Dialogue Work Programme, we would negotiate an autonomous framework agreement on either the integration of disadvantaged groups on the labour market or on lifelong learning.

As is stated in the discussion paper, BUSINESSEUROPE, UEAPME, CEEP and ETUC have agreed to start negotiations on an autonomous framework agreement on better integration of disadvantaged groups on the labour market through measures/initiatives to facilitate access to and progression in the labour market. These can be preventative or curative measures. Examples include life long learning, flexible working arrangements etc. The main aim of the negotiations would be to determine how the social partners could best contribute to maximising Europe's labour market potential and that of its workforce.

It was also agreed to avoid focusing on people furthest from the labour market, as this is a topic requiring first and foremost the involvement of other stakeholders, notably public authorities. Both sides agreed that there was a need to use a more appropriate concept than "disadvantaged groups" as it was thought too vague and broad.

No clear timetable has been set yet with respect to the negotiations.

3. Relevance of strategy/policy/measure to other EU Member States

Both in terms of policy challenge and concrete instruments, the Austrian initiatives are relevant for other EU Member States.

In terms of substance, the relevance for other countries of initiatives aimed at the improvement of labour market access for disadvantaged groups is without doubt. Fully exploiting the available labour force potential – including disadvantaged groups – is a key policy challenge for all EU Member States in the face of existing labour shortages and against the background of demographic ageing. To raise potential GDP growth and ensure the long-term sustainability of public finances, it is essential to increase employment rates in Europe, in particular of the under-represented groups on the labour market, i.e. the young people, older workers, disabled people as well as people with a migrant background.

The instruments (internet-based information platform and programmes for practical aid) put in place to address this challenge are relevant for other countries. The availability and accessibility of information or the provision of practical aid is of great importance for companies. However, in many countries, companies lack easily accessible information and practical help. There is therefore certainly scope for initiatives such as those mentioned in the Discussion Paper.

4. Potential transferability of the policy/measure

In order to fully assess the potential transferability of the initiatives, more detailed information regarding the various measures is required.

The extent to which social partners have been involved in and responsible for initiatives seems to be a key design feature. BUSINESSEUROPE welcomes such involvement of social partners. After all, they are best placed to find solutions reconciling economic and social needs of labour market players and devise concrete arrangements that benefit both companies and employees.

Social partners' involvement will most likely also be a key factor in the transferability to other countries. For example, to what extent are these initiatives transferable to countries where social dialogue/partnership is less established?

5. Key questions about the issue of integration of disadvantaged groups in the labour market which are being raised in stakeholders' organisation

- How to define "disadvantaged" groups? What are the disadvantaged groups that European employers and trade unions could focus upon in their negotiations on an autonomous framework agreement?

- How can employers and trade unions best contribute to the objective of integrating disadvantaged groups through actions that fall within their remit?
- What interventions are most effective in supporting people (back) into work?

6. Key issues and main questions for debate at the review

- To what extent are the social partners involved in the design and management of the initiatives? Is there a role for the social partners in the evaluation of the policies?
- How is the effectiveness of the schemes being measures?