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# Lecciones aprendidas sobre el rol de los servicios locales para la inclusión laboral de los destinatarios de los dispositivos de renta mínima en Europa

*Lessons learned about the role played by local services in the labor inclusion of the beneficiaries of minimum income measures in Europe*

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REPUBLIKA SLOVENIJA  
MINISTRSTVO ZA DELO, DRUŽINO,  
SOCIALNE ZADEVE IN ENAKE  
MOŽNOSTI

# LESSONS LEARNED ABOUT THE ROLE PLAYED BY LOCAL SERVICES IN THE LABOR INCLUSION OF THE BENEFICIARIES OF MINIMUM INCOME MEASURES IN EUROPE

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# 2008 ACTIVE INCLUSION RECOMMENDATION

With Recommendation on Active Inclusion, the Commission is encouraging Member States to take action for the active inclusion of people excluded from the labour market. In this regard Member States should draw up and implement an integrated comprehensive strategy. The strategy should be composed of the following three strands:

- **sufficient income support;**
- **inclusive labour markets;**
- **access to quality services.**

Recommendation was endorsed by Council and European Parliament

# WHAT IS ACTIVE INCLUSION



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## The three pillars:

1. Providing **adequate**, well-designed ***income support*** for those who need it, while helping them back into jobs, for example by linking out-of-work and in-work benefits.
2. Ensuring ***inclusive labour markets*** and employment policies that address the needs of those least likely to get a job.
3. Providing ***quality social services*** to support active social participation.



# ACTIVE INCLUSION STRATEGIES

TO FULFIL ACTIVE INCLUSION, MS SHOULD  
PROVIDE :

- comprehensive policy design (by considering joint impacts, possible synergies and trade-offs),
- integrated implementation,
- policy coordination among various levels of governments, (national, regional, local) and
- active participation of civil society organisations in the development, implementation and evaluation of strategies.



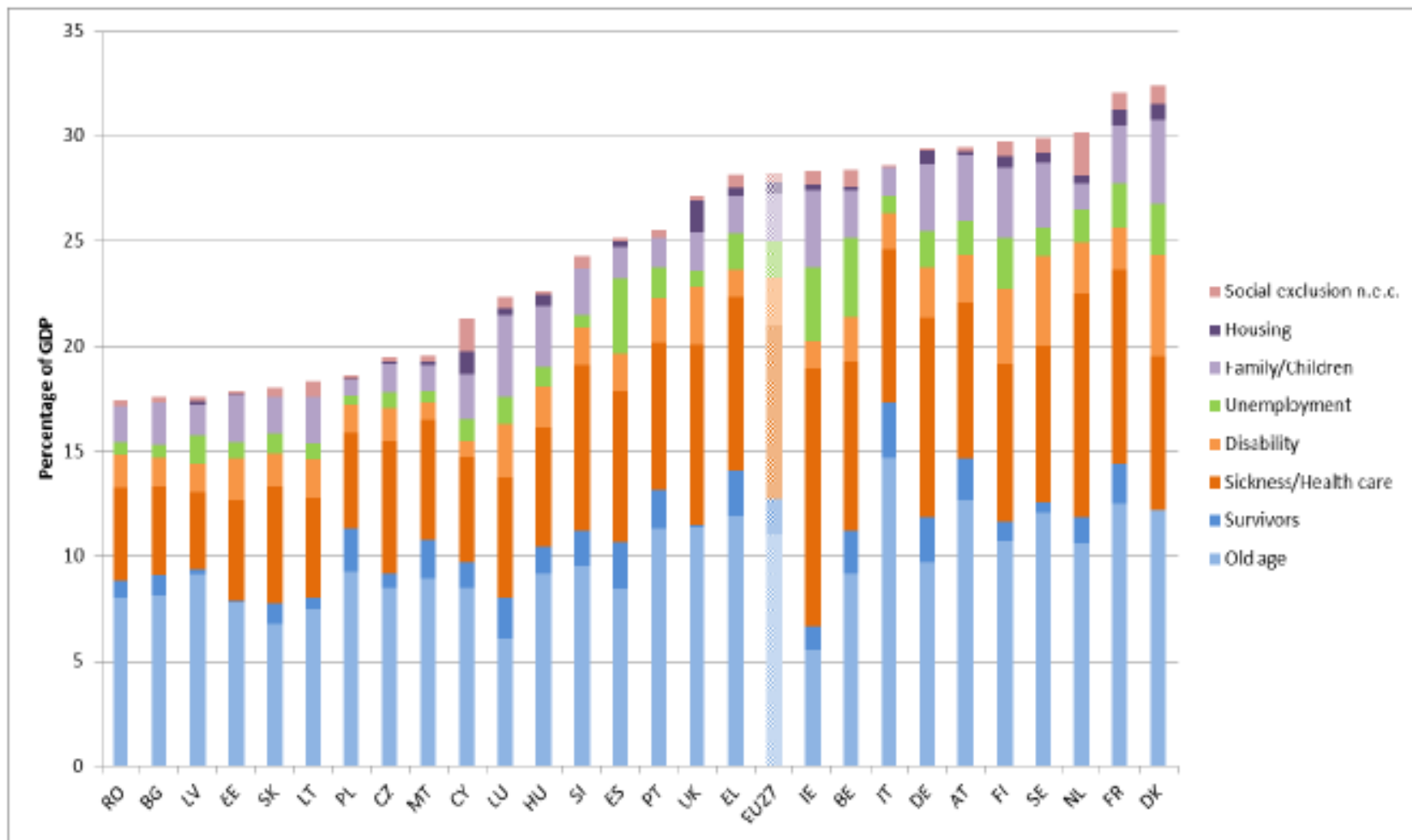
# ACTIVE INCLUSION STRATEGIES – SOCIAL INVESTMENT APPROACH

The successful implementation of active inclusion strategies is closely related to **social investment approach**.

## **Definition:**

**Social investment** is about investing in people. It means policies designed to strengthen people's skills and capacities and support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job-search assistance and rehabilitation.

**Chart 11: Social protection expenditure by function (2010, percentage of GDP)**



Source: ESSPROS



# ACTIVE INCLUSION STRATEGIES - CHALLENGES

## ADEQUATE INCOME SUPPORT:

- adequacy and coverage (of minimum income) (60 %, 50%, 40% of median income), development of reference budgets
- gradual phasing of income support (gradual withdrawal is proved better than immediate)
- non take-up, disincentives to work, measures to increase take-up, (simpler application procedures, better information for potential claimants, one-stop shops)



# ACTIVE INCLUSION STRATEGIES - CHALLENGES

## INCLUSIVE LABOUR MARKETS

Combined effort on:

**Demand side:** incentives to businesses (support for investment in human capital, tax allowances, wage subsidies)

**Supply side:** active labour market policies (life long learning, tax credits, in work support)

Sequencing and targeting of activation and ALMP

longer unemployed, harder to get back to work

**Active job search**

**Counselling**

**Job training**

# ACTIVE INCLUSION STRATEGIES -CHALLENGES

## ACCESS TO QUALITY SERVICES

- **social assistance services,**
- **education and training services,**
- **housing support and social housing,**
- **childcare,**
- **long-term care services and**
- **health services**

**Publicly provided services can reduce poverty and reduce inequality**

# ACTIVE INCLUSION STRATEGIES – CHALLENGES cross-cutting areas

- **Setting up ‘one-stop shops’** would simplify the organisation, delivery and take-up of services.
- **integration of information systems** to reduce duplication, provide the basis for a holistic, personalised approach to service delivery and help fight fraud;
- **integration of employment services with social assistance services and enabling services;**
- **reducing the complexity of accessing services** by simplifying eligibility requirements;
- **improving coordination among different levels of government** (central, regional or local) to improve overall service delivery.
- **coordinating tax and benefits systems** and looking at the impact of various programmes at the level of the individual.



# THE GROUP WITH THE HIGHEST RISK OF UNEMPLOYMENT

**Age** is the most predictive variable for the risk of, with older/young individuals most affected

**Low qualification levels**, as well as prior work experience in declining occupations/sectors.

**Immigrant / ethnic minority** background.

LTU aggravated by **personal characteristics** creating multiple barriers, often inherited from the social environment (disability, addiction, mental health issues, care responsibilities, family circumstances, peer groups, etc.)

**Gender** is a less predictive factor nowadays in EU



# KEY PROBLEMS OF PEOPLE WITH LOW EMPLOYMENT PROSPECTS/ MI BENEFICIARIES

## **On the labour supply side:**

- **Low qualification levels among the unemployed, outdated qualifications, skills obsolescence**
- **Low motivation after prolonged periods of unemployment**
- **Lack of work habits; limited job search skills,**
- **Personal issues: personal/family situation, health issues.**
- **Lack of 'life skills' resulting from socialisation in a disadvantaged family or neighborhood and/or from early school leaving**
- **Disincentives to work (e.g. linked with social benefits)**

## **On the demand side:**

- **Insufficient aggregate labour demand (limited number of vacancies)**
- **Employer selectivity**

**Regional/local factors:** remoteness, poor transport infrastructure making disadvantage of rural areas, compared to urban areas



# APPROACHES FOR SUCCESSFUL TREATMENT OF PEOPLE WITH LOW EMPLOYMENT PROSPECTS/ MI BENEFICIARIES

**Profiling initiatives to support the systematic identification of jobseekers with the highest risk of falling into LTU and enable the appropriate types, levels and timing of assistance to be deployed at an early stage.**

Usefulness of **'Person-centred approaches'** characterised by:

- Individualised approaches providing continuity of support and the right support at the right time
- Holistic interventions rather than focusing on only one aspect of employability;
- Having a single person as a contact to act as coach/mentor contributes to building client confidence and establishing a positive relationship
- Early assessment and improvement of basic skills
- Continuity of training both in and out of employment
- Support for job search activity
- Having a long-term approach to the provision of in-work support.



## **PARTNERSHIPS TO SUPPORT THE INTEGRATION OF JOBSEEKERS**

**A multi-dimensional approach is more successful with hard to place jobseekers. Some PES work with partners to help address the different barriers to work that some jobseekers experience.**

- Municipalities, youth services, family services, health, social services
- Education and training providers
- Career guidance services (if not in PES)
- Health and social insurance institutions
- Contracted providers
- NGOs
- Social partners

**Several countries outsource some of their services (as well as some measures) for LTU/MIB to private providers. Few use outcome based funding, although pilots have started in some countries.**



# PARTNERSHIPS TO SUPPORT THE INTEGRATION OF JOBSEEKERS

## WORKING WITH EMPLOYERS

- Different strategies to overcome employers prejudices in recruiting LTU/MIB, development of specialised counsellors dealing with employers or employers/jobseekers **to promote LTU into jobs**
- Some PES have started to establish **cooperation with large employers**, specifically with the aim of improving the reintegration of LTU others developed special services for smaller companies who do not have dedicated HR departments.
- Some countries are focusing on **improving internal collaboration between different PES departments, between counsellors working with jobseekers and with employers to improve the placement of jobseekers.**





# KEY SUCCESS FACTORS

- Intensive, tailored support offered as part **individual action plans, based on the principle of mutual obligation, works best**
- Employability should be increased through a **gradual approach**
- Measures should be geared towards (local) **labour market requirements**
- Further action is required on the **demand side, to ensure that PES work more closely with employers in order to raise awareness and encourage them to provide employment opportunities to LTU**
- Effective **governance processes of the partnerships aiming to reintegrate the LTU are key**



# WHAT SHOULD BE FOLLOW UP EC RECOMMENDATION

- Safeguard the integrated approach, building on all three pillars of the active inclusion strategy
- Roll out local active inclusion pilot projects at national level/ Promotion of social experimentation
- Focus on household characteristics as potential drivers of effective social policy
- Engage relevant actors more vigorously in the development, implementation, and assessment of policies
- Mainstream the active inclusion strategy in the monitoring and evaluation of National Reform Programmes in the area of social inclusion



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# THE SOURCES USED

## COMMISSION STAFF WORKING DOCUMENT

**Follow-up on the implementation by the Member States of the 2008 European Commission recommendation on active inclusion of people excluded from the labour market - Towards a social investment approach**

**SWD (2013) 39 final**

[http://ec.europa.eu/social/main.jsp?  
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